

The Global Newspaper
Edited and Published
in Paris

No. 52,400

17/87

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

PARIS, SATURDAY-SUNDAY, APRIL 25-26, 1987

ESTABLISHED 1887

Dollar, U.S. Stocks Fall Again; Gold Jumps on Inflation Jitters

By Ferdinand Protsman
International Herald Tribune

FRANKFURT — The dollar plunged below 140 yen Friday for the first time since World War II, and dropped sharply against other major currencies, as concerted central bank intervention did little more than prevent a free fall by the beleaguered U.S. currency.

The selling, which foreign exchange dealers said approached

panic proportions several times during the day, was triggered by pessimism about the strength of the U.S. economy, and was echoed in other markets.

The price of gold soared more than \$12 an ounce, to a four-year high above \$462, while bond prices fell and yields rose. On the New York Stock Exchange, the Dow Jones industrial average was down 45.60 at the close. [Page 8.] Traders put much of the blame

on economic data that seem to confirm fears of worsening inflation in the United States. Growing concern about a U.S.-Japanese trade war was another factor working against the dollar, foreign exchange dealers said.

"People are becoming scared," said a dealer for a large German bank. "There is no sign of real progress in the trade dispute. It seems both the Japanese and the Americans are talking tough and doing little."

In Tokyo, the dollar fell below the psychologically important support level of 140 yen, touching a post-war low of 139.05. It later settled at 139.45 yen, compared with 141.95 on Thursday.

Repeated purchases of dollars for yen by the Bank of Japan, totaling about \$1 billion, lifted the dollar but could not boost it back above 140 yen. The dollar has fallen almost 50 percent in value against the yen since the beginning of last year.

The U.S. currency also slid below key support levels at 1.80 Deutsche marks and 6 French francs, closing in London at 1.7883 DM and 6.9625 francs, from 1.8150 DM and 6.9385 francs on Thursday.

In New York, the dollar sank further, closing at 1.7845 DM, more than 2 pfennigs lower than Thursday's 1.8060; at 5.9495 French francs, down nearly 6 centimes, and at 139.35 yen, against 140.75 Thursday.

Coordinated purchases of dollars by yen by the central banks of Switzerland, West Germany, the United States and the Netherlands were unable to prop up the dollar. A Swiss National Bank spokesman confirmed that the central banks had intervened jointly.

The fall prompted an immediate outcry in Tokyo. Eishiro Saito, president of the powerful Federation of Economic Organizations, or Keidanren, said, "The situation is extremely serious."

He urged the government to take drastic measures to open the Japanese market and stimulate demand for imported goods to help ease

the effect of the falling dollar has been generally positive."

— Peggy Brundum,
Swedish Executive

continuing appreciation of the Deutsche mark will affect competitiveness. And since West Germany is Europe's largest economy, what happens there has a ripple effect in other European countries.

But to a large extent, governments and corporations are finding that a cheap dollar is something they can live with, because unlike Japan, European countries are insulated from the impact of the falling dollar by their trade with each other and by countries outside the dollar area.

For example, more than half of the foreign trade in the 360-million-population European Community moves within the community's frontiers, an EC spokesman said. And financial fluctuations within the European Monetary System, to which most of the EC's 12 members belong, have remained relatively stable despite the upheavals caused by the dollar's dive.

Further, the dollar has brought cheaper import prices — not just for manufactured goods from the United States, but for important commodities such as oil, which are traded in dollars and which help drive economies. And this has proved beneficial to companies that trade primarily in domestic and European Community markets.

For these reasons, the steepness of the dollar's fall does not tell the whole story. For example, although the Deutsche mark appreciated 25 percent against the dollar in the past year, when compared with all other currencies it appreciated just 7 percent. The French franc has

effectively appreciated by only 1.3 percent against all currencies, the Italian lira by 2.5 percent. The British pound has appreciated against the dollar, but declined slightly overall against European currencies.

The volatility of dollar exchange rates — rather than the actual rates themselves — has slowed investment and growth prospects, particularly in West Germany, where there is widespread concern that

the unprecedability of the currency fluctuations, which strongly discourages companies from making capital investments and affects other planning. This, in turn, affects a nation's economic growth.

This unpredictability is illustrated by Friday's steep fall of the dollar against all major currencies. The decline — below 1.80 DM, 6.00 French francs and 1.45 Swiss francs — has come despite an accord in February among six major industrial countries to stabilize the U.S. currency at their current levels. That agreement was reiterated earlier this month in Washington, and buttressed by statements by the U.S. Treasury secretary, James A. Baker III, and other key U.S. officials that the dollar had fallen far enough.

"It hardly makes a difference whether the dollar sells for 2.0 Deutsche marks or around 1.80 as it is now," said Walter Sypp, chairman of the managing board of Commerzbank AG. "What is more important is the experience of com-

See EUROPE, Page 10

SEE DOLLAR, Page 13

Putting Djibouti on the Map for Senator Helms



Daniel Patrick Moynihan

New York Times Service
WASHINGTON — Educators have long been disturbed by the average American student's lack of familiarity with basic geography. But what about Congress's knowledge of the subject?

On Wednesday, Senator Daniel Patrick Moynihan of New York, a former Harvard professor, seized an opportunity to give a colleague some instruction in Geo 101 at a Foreign Relations Committee hearing on the foreign aid bill.

Senator Jesse Helms of North Carolina, concerned about Communism in Africa, had offered an amendment to ban aid to any African country with foreign troops on its soil. The measure was aimed primarily at Mozambique, which hosts Soviet military advisers, and Angola, which hosts Cubans.

But Mr. Moynihan said, what of Chad, which is "tending off the Red armed hordes" with the help of the French? And what of Djibouti, which is doing the same?

Mr. Helms was puzzled. Djibouti? Where is this Djibouti?

Mr. Moynihan sprang to his feet, strode to the wall of the hearing room, clambered atop a chair and referred to a big map. He pointed to the Horn of Africa.

"Communists to the left," he said, gesturing broadly.

Another gesture: "Communists to the right."

A stab of the finger on the map: "Djibouti — right in the middle."

Mr. Helms appeared enlightened, even chastened.

The amendment was defeated.

By Keith B. Richburg
Washington Post Service

JAKARTA — A largely symbolic election has reaffirmed the governing Golkar Party's unassailable grip on political life here, but the campaigning revealed a surprisingly strong undercurrent of dissatisfaction among young, urban Indonesians who appeared to be voting for change.

The election on Thursday also appeared to mark three important turning points in the country's political development. It saw the military's retreat from active support of the government to a more neutral stand, as well as the decline of Islam as a political force. Perhaps more significantly, it was Indone-

sia's most orderly and violence-free election since independence in 1945.

The voting was to fill 400 seats in a virtually powerless National As-

NEWS ANALYSIS

sembly. Real power rests firmly with President Suharto and his military-bureaucratic establishment. But elections, which have been derided by many as a farce or a travesty, nonetheless are seen as the only gauge of political sentiment in a country with limited outlets for free expression.

With nearly 85 percent of the votes counted on Friday, unofficial returns showed that the Golkar

Party would finish with more than 72 percent of the vote.

Through its control of the government bureaucracy and affiliated groups for women, labor unions and youth, the party's reach is deep and wide throughout the nation. A landslide victory was never in doubt.

More significant than the Golkar victory, according to analysts and observers in Jakarta, was the strong showing of the resurgent Indonesian Democratic Party, which appeared to have won about 12 percent of the vote.

The party, which was founded by President Sukarno, seemed well-poised to challenge the Moslem

based United Development Party to become the second-strongest force in Indonesian politics.

The early returns showed that the Democratic Party won about 28 percent of the vote in Jakarta.

The United Development Party, which won 38 percent of the vote in elections five years ago, has since been troubled by internal squabbling and by the withdrawal from its coalition of a large and influential Moslem organization.

The results on Friday showed the Moslem party winning only about 16 percent of the vote, and even losing slightly in its traditional Moslem stronghold of Aceh, the

See VOTE, Page 7

Indonesia Vote Signals Desire for Change

By Keith B. Richburg
Washington Post Service

Party's most orderly and violence-free election since independence in 1945.

The voting was to fill 400 seats in a virtually powerless National As-

NEWS ANALYSIS

sembly. Real power rests firmly with President Suharto and his military-bureaucratic establishment. But elections, which have been derided by many as a farce or a travesty, nonetheless are seen as the only gauge of political sentiment in a country with limited outlets for free expression.

With nearly 85 percent of the votes counted on Friday, unofficial returns showed that the Golkar

Party would finish with more than 72 percent of the vote.

Through its control of the government bureaucracy and affiliated groups for women, labor unions and youth, the party's reach is deep and wide throughout the nation. A landslide victory was never in doubt.

More significant than the Golkar victory, according to analysts and observers in Jakarta, was the strong showing of the resurgent Indonesian Democratic Party, which appeared to have won about 12 percent of the vote.

The party, which was founded by President Sukarno, seemed well-poised to challenge the Moslem

based United Development Party to become the second-strongest force in Indonesian politics.

The early returns showed that the Democratic Party won about 28 percent of the vote in Jakarta.

The United Development Party, which won 38 percent of the vote in elections five years ago, has since been troubled by internal squabbling and by the withdrawal from its coalition of a large and influential Moslem organization.

The results on Friday showed the Moslem party winning only about 16 percent of the vote, and even losing slightly in its traditional Moslem stronghold of Aceh, the

See VOTE, Page 7

Arms Issue Splits U.S. Experts

Debate Centers on How to Avert War, Reassure Allies

By Michael R. Gordon
New York Times Service

WASHINGTON — Proposals to eliminate medium-range and short-range nuclear missiles from Europe have prompted a debate among arms control experts about how to deter war and reassure West European nations of the U.S. commitment to defend them in the event of an attack.

The proposals being discussed in the Geneva arms talks have created an unusual alliance of Reagan administration officials who have been deeply skeptical of arms control agreements and traditional supporters of such measures.

On the other side of the debate are some notable members of the foreign policy establishment who say the North Atlantic Treaty Or-

ganization needs to keep some medium-range and short-range weapons to give expression to its commitment to the alliance and carry out NATO's ability of NATO to deter a Soviet attack.

The proposed elimination of the missiles is one some senior Reagan administration officials.

The House, in rebuff to Reagan, votes two restrictions on nuclear arms. Page 3.

cials and some experts, such as Paul C. Warnke, the former arms negotiator, who have been sharply critical of other aspects of the administration's arms control policies.

These specialists argue that the emerging arms control agreement would be advantageous to the United States because the Russians

would give up most of the weapons. They also dismiss as untrue criticism that the elimination of the missiles would undercut the ability of NATO to deter a Soviet attack.

The proposed agreement is "better than anyone could have imagined," said Spurgeon Keeny Jr., who negotiated with the Russians on medium-range arms in the Carter administration and is now president of the Arms Control Association, a private group that has been critical of the Reagan administration's arms policies.

The critics of the proposals include Henry A. Kissinger, a former secretary of state; Brent Scowcroft, the national security adviser to President Gerald R. Ford; and James Woolsey, a former navy undersecretary in the Carter administration; and Representative Les Aspin, Democrat of Wisconsin, the chairman of the House Armed Services Committee, who has argued for retaining a small force of medium-range missiles in Europe.

Mr. Woolsey said, "These missiles serve a very important purpose of demonstrating to NATO allies that United States forces in Europe would be able to respond quickly and effectively against targets in the Soviet Union in the event of a Soviet attack."

The debate can be boiled down to these three main questions:

• Is it necessary to deploy medium-range and short-range missiles to guarantee that the United States will risk its security for that of Europe?

• Are the missiles needed to assure that NATO can carry out its

See ARMS, Page 7

Iran Deal Investigators Obtain Swiss Bank Records

By Dan Morgan
Washington Post Service

WASHINGTON — The U.S. congressional committee investigating the Iran-contra affair obtained Swiss bank records in Paris this week that should enable them to trace where millions of dollars used in the operations came from and how most of the money was spent, according to sources on Capitol Hill.

The sources said Thursday night that the records offer the first proof that money from the Iranian arms sales was diverted to the Nicaraguan rebels, known as contras.

Daniel K. Inouye, the Hawaii Democrat who is chairman of the Senate committee, and Senator Warren B. Rudman, Republican of New Hampshire and the committee's vice chairman, confirmed Thursday that there had been a breakthrough in solving the money puzzle.

Until now, efforts to reconstruct the chain of financial transactions had been blocked by inability to gain access to the Swiss accounts.

"I think we have enough in documents to follow a clear paper trail," Mr. Inouye said.

"I don't know about 100 percent," said Mr. Rudman, "but you will know where the money went and largely the amounts."

The two senators also said:

• The investigation had raised the prospect that U.S. government funds, appropriated for another purpose, may have been used to aid the contras militarily after Congress had imposed a ban on such assistance.

• Some money involved in the Iranian and contra operations may have been pocketed by individuals.

"It is likely that before these hearings are over there will be evi-

dence that not all of the money from both sources went for the purpose it was intended," Mr. Rudman said. He said he was referring to money other than that which may represent reasonable commissions and profits.

• The investigation shows an administration that was "inept," Mr. Rudman said.

"It is a classic story of the gang that couldn't shoot straight," he said. "It is comical and pathetic, and there are no Republicans who can change that, and there are no Democrats who can make it worse than it is."

• The Tower review board char-

acterized of President Ronald Reagan as being out of touch will prove to be "a little bit erroneous," based on excerpts of Mr. Reagan's diary that are being made available to the committee. In his diary, the president comes across as being "very vigorous, very dedicated to the cause of the hostages" in Lebanon, Mr. Rudman said, and "very much involved" in the Iran initiative. The diary could "cause some embarrassment," Mr. Inouye said.

• Congressional investigators have managed to reconstruct much of the material that was shredded by Lieutenant Colonel Oliver L. North, a former National Security

Council aide, and his secretary, Fawn Hall, the day before the inquiry by Attorney General Edwin Meese III started in November.

The breakthrough in solving the money puzzle occurred Monday when an Iranian-American businessman, Albert A. Hakim, provided Swiss bank records and other documents to two committee members and the legal staff at a meeting in Paris, according to a congressional source. Another Capitol Hill source said the material was "very extensive financial information."

Mr. Hakim, who was involved in both the contra and Iran activities, had been given limited immunity</

Israel and Its 'PLO Albatross'

Group's Staying Power Angers Some, Satisfies Others

By Thomas L. Friedman
New York Times Service

JERUSALEM — Israeli leaders are watching the Palestine Liberation Organization's parliament-in-exile in Algiers with an unusual mixture of anger, dread and satisfaction.

The anger is directed at Yasser Arafat, whose re-emergence in Algiers as the leader of PLO has served to remind Israelis that their 1982 invasion of Lebanon, which was supposed to have sent Mr. Arafat off to diplomatic oblivion and freed northern Israel once and for all from PLO threats, may have been for naught.

There have been other reminders in the last two weeks that the 1982 invasion has not solved Israel's problems. First, a Jewish settler was killed by Palestinians in a fire-bomb attack in the West Bank; then the army repelled an onslaught by pro-Iranian Shiite Moslem militiamen in southern Lebanon, killing 18 of them.

The next day, three PLO guerrillas infiltrated Israel's northern border and killed two soldiers before they themselves were shot to death. A day later, rockets fired from southern Lebanon rained down on kibbutzim and villages in northern Israel, wounding no one but prompting The Jerusalem Post to declare in a headline: "Back to the Bomb Shelters."

On Thursday, in a now-familiar scene, Israeli helicopter gunships attacked Palestinian guerrilla command posts near the port city of Sidon, wounding three people. It

was the 11th Israeli air strike in southern Lebanon this year.

Amid these events, Mr. Arafat, whom Israeli leaders considered isolated and largely forgotten, has appeared in Algiers with a reunited PLO that endorsed his leadership with a standing ovation.

For Israeli leaders, it was a frustrating scene. Gideon Samet, a

NEWS ANALYSIS

commentator for the newspaper Haaretz, observed that after many years Israel finally recognized the existence of a Palestinian nation.

"But parallel to that, as we were forced to admit the central role played by the PLO, we acted to eliminate it."

"We made celebratory announcements that it had outlived its usefulness," he wrote. "The two-legged monster was supposedly trapped. It appears that this is not exactly the case. The PLO was indeed scattered to the four winds, splintered, internally divided, and weakened. But it was not dead. To the contrary, it seems very much alive and kicking."

Though Israeli leaders insist that they do not recognize the PLO, and do not care what it says, they nonetheless react to its statements and declarations as though it were an interlocutor, and as though Israel somehow expected more moderate positions from it.

For example, in his address to the Palestine National Council in Algiers on Thursday, Mr. Arafat

called for a Palestinian homeland "with Jerusalem as its capital." This has been his standard position for years. Nonetheless, within hours, Prime Minister Yitzhak Shamir reacted in Jerusalem.

"Today our enemies are meeting to harm us and, heaven forbid, rob Jerusalem from us," Mr. Shamir said. "But the people of Israel are strong and united and this plot will not be carried out. We will overcome all of our enemies. Jerusalem will remain Israel's capital forever."

Foreign Minister Shimon Peres, who has been trying to cajole the Israeli public into accepting Israeli participation in an international conference on peace in the Middle East, also criticized Mr. Arafat and his organization for reaffirming "armed struggle" and for having abrogated its February 1985 agreement with King Hussein of Jordan, which called for a joint negotiating strategy.

"We knew this would happen," Mr. Peres said. "In my opinion, what is happening in this convention is a disaster for the Palestinians. They will pay the price."

"He who wants to live in eternal terror will turn to the PLO," Mr. Peres said. "He who wants to find another way, must turn, of course, in the direction of King Hussein."

The Palestine National Council has become not only a focus for Israeli wrath directed at Mr. Arafat and the PLO, but also useful political fodder within the Israeli debate about peace in the Middle

East — fodder each party can use.

For example, in his address to the Palestine National Council in Algiers on Thursday, Mr. Arafat



Yasser Arafat and other members of the Palestine National Council during a session Friday.

associates were quoted as describing the move as opening the door for the "moderate" Arab governments to stuck off "the PLO albatross" and freely enter into an international peace conference with Israel, which Mr. Peres favors.

Yossi Beilin, a Peres aide in the Foreign Ministry, asserted that Mr. Arafat's decision to prefer PLO unity to moderation could "hasten the peace process rather than delay it" because it proved that "the PLO cannot be a partner to negotiations."

Mr. Peres, of the Labor Party, could also draw satisfaction from the scrapping of the agreement. His

man, argued that despite all its statements to the contrary, Israel had been negotiating indirectly with the PLO for the last two years, and that, realistically speaking, the Algiers meeting would probably only intensify that process.

"Given that the PLO was strengthened in Algiers, I believe that, despite all that we say, we will find ourselves sitting with Palestinian representatives whose roots are with the PLO," Mr. Weizman said.

"I don't get excited about this. From a political point of view, these are the most important elements."

Dole Seeks to Tighten Security Gaps in Senate

New York Times Service

WASHINGTON — Bob Dole, the Senate Republican leader, has charged that the handling of classified information and security clearances in the Senate is so lax as to be "a disaster waiting to happen."

Senator Dole of Kansas said Thursday in a speech on the Senate floor that he would propose legislation to create a Senate security office with control over access to classified information.

Aides to Mr. Dole said there had been no known breaches of security in the Senate.

Al Lehn, a national security specialist on Mr. Dole's staff, said the senator's interest in the problem was activated more than a year ago when a messenger for a court reporting service that transcribed closed House committee hearings was accused of passing classified material to Soviet agents.

Mr. Dole, whose party was then in the majority, ordered three Senate committees to do a survey of Senate security. Their report, he said, "made pretty scary reading."

"We found out that hundreds and hundreds of people are walking around Capitol Hill with security clearances and access to sensitive information," he said. "And no one, not a single office or official, has a record of who they are."

"We uncovered many reports of classified documents lying out on desks, in the hands of uncleaned people, stuck away in unlocked file cabinets."

Mr. Dole said the Senate security

office he was proposing would have three functions: to prepare an overall security plan for the Senate, to assure that every Senate office was handling classified material properly, and to keep a list of all staff members with security clearances and ensure that only those whose names were on the list could see classified material.

All members of Congress automatically receive security clearances. Staff members receive their clearances from a number of agencies. One proposal under discussion is to designate a single federal agency to handle clearance for congressional staff members.

■ **Marines' Duty Shortened**

The Pentagon announced Thursday that the U.S. Marine Corps has shortened to one year the tour of duty for embassy guards in countries such as the Soviet Union where they are considered subject to compromise by foreign agents.

The New York Times reported from Washington.

The 15-month tours were shortened in the Soviet bloc, China, Lebanon, Nicaragua and Afghanistan.

Two marines who worked in the Soviet Union as guards have been charged with espionage, accused of allowing Soviet agents to enter the U.S. Embassy in Moscow in 1985 and 1986. Another has been arrested on suspicion of espionage in Leningrad in 1981 and 1982 and a fourth charged with violating security regulations by meeting secretly with Soviet women.

Utility of Breast Self-Exams Doubted

By Michael Specter
Washington Post Service

WASHINGTON — Most self-examinations for signs of breast cancer, performed by millions of women, do not appear to save lives and so "are not at present recommended as public-health policy," a federal panel reported.

The report Thursday drew sharp objections from the largest cancer research establishments in the United States.

"Breast self-exams" accuracy appears to be considerably inferior to that of the combination of clinical breast exams and mammography, the U.S. Preventive Service Task Force reported.

"It is possible, but unproven," it said, that self-exams are "a useful addition to these approaches."

Groups that advocate regular self-exams, including the National Cancer Institute and the American Cancer Society, said the report would confuse women.

"This is going to discourage women from doing self-exams, and that is going to harm them," said Dr. Charles R. Smart, chief of early detection at the National Institute. He said 70 percent of breast cancers were found in self-examinations.

Breast cancer is second only to lung cancer as the leading cause of cancer deaths among women in the United States.

The task force was established by the Department of Health and Human Services to develop strategies for preventing disease and promoting health.

It recommendations, after two years of research, emphasize the value of annual exams by doctors, combined with X-ray mammography, for women over 50, the group at highest risk. The panel recommended annual exams alone for women aged 40 to 49.

"We are not opposed to self-exams," said a public health specialist, Michael S. O'Malley, an author of the report. "We just don't see solid evidence that they will save lives."

The report, along with the task force recommendations, appeared in the Journal of the American Medical Association.

Officials of the American Cancer Society said the recommendations were too clinical and shortsighted. The society recommends yearly mammograms beginning at age 40.

L'Unità's Look Aims at New Readers

Change Reflects Italian Communists' Search for Voters

By Loren Jenkins
Washington Post Service

morning with a cleaner front page, larger print and a modern logo, in place of its front-page designation as the "organ of the Italian Communist Party." L'Unità now proclaims itself simply as the party's "newspaper."

"Our intention," said the newspaper's co-editor, Fabio Mussi, in announcing the newspaper's new look, is to publish "a newspaper of modern and critical information and not just a party bulletin."

The change was the latest of the party's efforts to remodel its image and its appeal to voters among an increasingly affluent electorate, which in recent years has shown less interest in the Communists' traditional message.

The party had appeared to command about 30 percent of the nation's voters but in two elections in the past two years it has dropped below that.

With the collapse early this month of the coalition government headed by Bettino Craxi, a Socialist, the Communists and their rivals are looking ahead to early elections that is.

Announcing the changes in L'Unità, Massimo D'Alema, a member of the party secretariat, said the party was worried that its dogmatic newspaper appealed only to the party faithful.

The new paper, he said, would try to interest and represent a section of democratic and leftist public opinion wider than the traditional one made up of Communists' electors."

As part of its appeal to new readers, said Mr. Mussi, the co-editor, the paper will add sections on books, records, weekend entertainment, and science and technology.

The redesigning of the paper underlined the Italian Communists' continued efforts to distance themselves from their Leninist past, a move that began in the 1970s with the Eurocommunist movement.

More recently, the party has

sought a so-called "historic compromise" with the dominant Christian Democrats. It now presents itself as more a party of Social Democrats than a member of the international Communist movement.

Among its 1.6 million members old Stalinists and Leninists remain. But the party's international secretary, Giorgio Napolitano, has described the party as "a modern reformist party" that is "on the road of dialogue and convergence with the major European Socialist and Social Democratic parties."

That is an image that the party secretary, Alessandro Natta, has carefully cultivated since assuming the leadership in 1984, after the death of Enrico Berlinguer, the charismatic party leader who led the breakaway from Moscow.

The party was founded in 1921 by Antonio Gramsci, whose liberalism was declared a heresy by Stalin. Although Gramsci is being rehabilitated in the Soviet Union, his party remains an anomaly among Communist organizations. It opposed the Soviet interventions in Czechoslovakia and Afghanistan. It supports Italy's membership in the European Community, and defends Italy's adherence to the North Atlantic Treaty Organization.

Mr. Natta has visited Moscow and has met with the Soviet leader, Mikhail S. Gorbachev, to mend the rift that had developed with the Soviet Union. But he has made it clear that his real desire is to travel to the United States to persuade Americans that Italian Communists are as tame as Spanish or French Socialists.

Although the Communist Party is the second-largest in Italy, behind the Christian Democrats, it has been kept out of government since 1948. Behind its image-building, the party's desire to be accepted as legitimate by voters who polls indicate, distrust it as a potential part of government.

The result has been decline in popular support for the anti-NATO stance of the 10 opposition members of parliament who belong to the People's Alliance.

The Social Democrats, who hold nine seats, could show significant gains on Saturday. Their new leader, Baldvin Hammarsson, has built support for the party by discussing pacifist views and economic theories that favor state control.

■ **U.S. Building Collapses, 9 Die**

Compiled by Our Staff From Dispatches

BRIDGEPORT, Connecticut — A high-rise apartment building under construction here collapsed, killing at least 9 persons and trapping 19 construction workers under tons of rubble. Officials said Friday that there was little hope of saving them.

Rescuers using dogs and microphones picked through tons of concrete and steel.

The project, L'Ambiance Plaza, was being built on the edge of the central business district in Bridgeport, Connecticut's largest city with about 143,000 residents. 65 miles (105 kilometers) northeast of New York City. (AP, NYT)

ing slabs were being hoisted into place.

Forty-one workers were alive, including 12 who were hospitalized, Mayor Thomas Bucci said Friday.

Mr. Bucci said that four persons had been declared dead and their bodies removed. Five had been spotted and were presumed dead.

The cause of the collapse had not been determined.

The project, L'Ambiance Plaza, was being built on the edge of the central business district in Bridgeport, Connecticut's largest city with about 143,000 residents. 65 miles (105 kilometers) northeast of New York City. (AP, NYT)

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

ruled that the issue was not whether smoking should be banned, but that such widespread restrictions should be imposed by the state legislature, not by the council.

The regulations were issued by the state Public Health Council. Justice Harold Hughes

</

OPINION

INTERNATIONAL HERALD TRIBUNE

Good, but Not Enough

As a concept, the Japanese proposal to lend the developing countries some of its vast trade surpluses is a useful and welcome idea. But it is still pretty vague. In the form in which former Foreign Minister Shintaro Abe brought it to Washington this week, it is a preliminary sketch rather than a precise plan of action. Exactly to whom the Japanese would lend, and for what purposes, apparently remains to be decided.

In the past Japan has deflected all appeals to step up its investment in the Third World by arguing that the surpluses are, after all, private money and lie beyond the control of the government. The key to Mr. Abe's plan is the suggestion that the government will now guarantee private investment at a rate of \$10 billion a year for three years.

Mr. Abe intends this \$30 billion offer to demonstrate Japan's willingness to accept broader responsibilities in managing the international economy. That deserves applause. But recycling surpluses can be perilous. In the 1970s the OPEC countries deposited their oil surpluses in American and European banks that recycled it by lending where they could, notably in Latin America. That was the origin of the Latin debt crisis, the consequences of which now burden both the debtors and the banks. The next recycling operation will have to be

a great deal more careful than the last one. What about the future of Japan's trade surpluses? Japan expects to continue to run them, but they cannot continue at their present size. It is a reality that the Japanese have to accept. If they begin to think of increased lending to developing countries as a way to make their present surpluses more acceptable to the rest of the world, it won't work. The loans need to be part of a transition toward lower surpluses and a better balance in the world's economy.

But even if this plan fulfills the most optimistic expectations, it will be less important to the world than accelerated investment by Japan in its own economy. Prime Minister Yasuhiro Nakasone is now pushing a very large increase in public works spending. If he goes through, that will have a far greater and more immediate impact than these guaranteed loans. For the sake of its own prosperity, and the world's, it is essential for Japan to begin rapidly expanding its internal consumption to offset the effects of a rising yen that is making its primary export market, the United States, less accessible. Increased lending to developing countries is highly desirable, but forceful action to avoid a recession at home is Japan's first and most urgent responsibility to the world.

—THE WASHINGTON POST.

Rethink Foreign Aid

What does Secretary of State George Shultz think is the number one problem facing U.S. diplomacy? Answer: The foreign affairs budget now before Congress. It is a budget full of vexing choices: whether to emphasize military security or economic developmental needs; whether to focus foreign aid on Israel and Egypt or spread it around more; how much to pay for embassy security. Balancing these needs against hard economic priorities will inevitably shortchange important programs. Congress and the Reagan administration have to face that and explain it openly, so that harder choices can be made more logically.

The spending squeeze has left the United States unable to keep some consulates open or to meet commitments to the United Nations, multilateral banks and countries where it has base rights. It has failed to deliver on big money promises to the African frontline states and Central America. It remains the biggest giver of foreign aid, but its share worldwide has dropped from more than half in the 1950s to less than 30 percent.

And the way it spends its foreign affairs dollars has changed dramatically. Of about \$16 billion, somewhat less than \$3 billion goes to State Department operations. The rest goes to bilateral aid (about \$11 billion), contributions to multilateral organizations and food assistance. In 1973, a quarter of the bilateral aid went to military or strategic purposes; now two-thirds goes for those purposes. And more than 40 percent of all U.S. aid goes to Israel and Egypt.

When so much is designated for only two countries, and when the overall aid program is being cut to meet deficit reduction

targets, two things happen. First, up to 50 and 60 percent of human needs programs is gutted. Second, there is very little to give when a moderate government like Corazon Aquino's in the Philippines needs large infusions of aid, or a politically powerless African country like Mozambique struggles to move away from a centralized economy.

Foreign aid has always demanded statesmanship. Voters forget that most of the money is spent at home; aid-driven trade means more U.S. jobs and better markets. And wise development assistance is cheaper and kinder than rushing in grain once famine hits. But statesmanship seems to have dwindled along with the money.

What Mr. Shultz describes as "a major foreign policy crisis" calls for a new debate. What does the United States expect of its foreign affairs spending?

Congress has two choices: Find more resources, or use existing ones differently. A good way to approach the first solution is to realize that U.S. security and interests abroad are served by foreign aid and by a strong diplomatic presence as well as by arms. Why not think of the foreign aid and Pentagon budgets as one security pot? If aid is deemed to have urgency, funds can be taken from the Defense Department. This would require major structural changes in thinking and budgeting, but that is just what may be called for from Congress.

In the meantime, the smaller foreign aid pie must be shared more equitably. There are good reasons to give billions in aid to Israel and Egypt. None of them are good enough to justify eviscerating so many other programs.

—THE NEW YORK TIMES.

Now Comes the Dying

Opponents of capital punishment, struggling to find a theory on which the Supreme Court could abolish the penalty for constitutional reasons, played their last card this week and lost. It is extremely unlikely that there will soon be another case before the court that would reach a whole class of death row inmates. From now on, each individual case will be decided on its own peculiar set of facts, for the court has decided that even where statistics show that race is a factor in imposing the sentence, the death penalty is constitutional.

This landmark case involved a black man, Warren McCleskey, who killed a white police officer during a holdup in Georgia. There were no mitigating circumstances. Mr. McCleskey's appeal was not based on some claim of innocence or some flaw in his trial. Instead he argued that constitutionally unacceptable racial factors influenced the jurors who decided that he must die. A study of Georgia sentences by a University of Iowa law professor, David Baldus, had shown that a person of any race convicted of murder is far more likely to be executed if his victim was white than if the victim was of any other race. The discrepancies are not minor. Killers of whites receive the death penalty in 11

percent of these cases; but only 1 percent of those who murder blacks are so severely sentenced. If the murderer is black and the victim white, he will receive the death penalty 22 percent of the time; but if a black kills another black, that figure drops to 1 percent.

There is something obscene about all this figuring, something clinically subhuman about assessing the color of a victim's skin in fashioning a penalty, even if it cannot be proved that a judge or jury consciously made these distinctions. For the court to concede that this kind of pattern exists and still hold that race is generally not a factor in these decisions is mind-boggling.

Yet the court has stood aside, leaving the broad decisions on capital punishment to the state legislatures, where the penalty has always been popular. Now the executions will begin in earnest. Those states with hundreds of people on death row need not longer for a directive from the Supreme Court that might limit the penalty.

Those who will be killed have committed terrible crimes. But whatever those crimes, the rest of us should not have the stomach to do to them what they did to their victims. What is about to happen will be sickening.

—THE WASHINGTON POST.

Other Comment

Europe Will Have to Rearm

The wrong question is whether Western Europe can be protected without all the varieties of nuclear weapons which at present sit on its soil. Yes, it can. The right question is when and how. Europeans will persuade themselves to improve the non-nuclear part of their defenses. It will soon be necessary to do this, for a reason unconnected with the current hoo-ha over medium-range missiles, just-under-medium ones and all that. Fortunately, the hoo-ha has accidentally made Europeans think about the real issue.

The Russian side is about to become even stronger, since the Americans will most probably soon be pulling some of their soldiers out of Europe. To cut America's budget

deficit, the post-Reagan administration will almost certainly rein back defense spending.

Western Europe has to choose whether, at the turn of the century, it stands confidently alongside America or gazes nervously up at Russia. Unless Russia is willing to do some sweeping one-sided disarmament, Europe will have to do some rearming.

A Europe that first seems to demand new American missiles, then seems to reject them and is now tempted to cling on to them as it expatiates America. That has happened, of course, because two Western Europe have spoken with two clashing voices.

May Europeans now assemble a single voice, and speak a policy, before Americans throw up their hands in despair.

—The Economist (London).

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

LEE W. HUEBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, Editor • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages

RENÉ BONDY, Deputy Publisher • ALAIN LECOURT and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISON, Circulation Director • ROLAND KRANEPUHL, Advertising Sales Director International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: 613995. Circulation, 612333; Editorial, 612718; Production, 630498. S.A. au capital de 1.200.000 F. RCS Nanterre B 33202120. Commission Paritaire No. 61337. Directeur de la publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0311. Tel: 477-7768. Telex: RS36928 Managing Dir. Asia: Malcolm Glenn, 50 Gloucester Road, Hong Kong. Tel: 5-3610616. Telex: 61170. Gen. Mgr. U.K.: Robin MacKintosh, 63 Long Acre, London WC2. Tel: 536-4802. Telex: 362009. Gen. Mgr. W. Germany: W. Langerholz, Friedrichstr. 15, 8000 Frankfurt/M. Tel: (069) 726733. Telex: 476721. Pres. Michel Comte, 250 Third Ave., New York, N.Y. 10022. Tel: (212) 752-3892. Telex: 477175. S.A. au capital de 1.200.000 F. RCS Nanterre B 33202120. Commission Paritaire No. 61337. © 1987, International Herald Tribune. All rights reserved. ISSN: 0394-8032.

Real Disarming? Watch the Geneva Details

By Flora Lewis

PARIS — There is a certain Alice's Tea Party quality to the debate developing on arms control as serious prospects emerge for agreement. Soviet officials accuse the West of having bluffed all along, since it is having such a hard time deciding what it really wants now that it may have to take what it asked for.

Senator Sam Nunn has a point when he says that the whole approach is backward. Since the idea of Western arms is to deter war in Europe, not just nuclear war but any war, the logical sequence would have been to cut down on tanks and armor at the start. Then tactical nuclear weapons would no longer be needed to prevent conventional war, and so on up the scale.

But as he also says, it is too late to turn it all around now, so the existing agenda must proceed and bear fruit. It is bogging down on the wrong issues — the links between intermediate- and shorter-range weapons in Europe.

According to what the Russians have told high-level Europeans, Secretary of State George Shultz made a tough stab in Moscow at moving the Kremlin further than Mikhail Gorbachev has gone so far. That would help him sell an agreement to Western skeptics, and the Russians know that there are influential skeptics.

Mr. Shultz asked Moscow to go on from removing all intermediate-range missiles in Europe to removing all else, too, including 100 warheads that were to be left in Soviet Asia and another 100 on U.S. territory, under the Reykjavik formula. The Soviet answer was a flat "We are not ready." But Moscow demanded that the remaining 200 be deployed so that they could not

reach the other side's territory — that is, none in Alaska. "Otherwise it would only heighten the confrontation," is the Soviet argument, unacceptable so long as Soviet missiles could reach U.S. allies in Asia, notably Japan.

Moscow does accept separating shorter-range missiles (300 to 600 miles, or 500 to 1,000 kilometers) from strictly tactical warheads (under 300 miles). That makes sense, on the argument that the tactics come under the conventional command structure. That would be linked with conventional arms reduction some other year.

But there are also disagreements on how to get rid of the Euromissiles. Mr. Shultz put forward the U.S. proposal to convert Pershing-1Bs in Europe to shorter-range Pershing-1As, and to put the land-based cruise missiles at sea. The Russians balked. All banned missiles should be verifiably destroyed, they said, adopting what had previously been the Western position.

Further, and more important, while Moscow proposed staged reductions and destruction over five years, the United States proposed a four-year schedule in which only the Russians would draw down in the early stage, while the United States continued building up to meet them.

The Russians admit their substantial superiority now, but they say that both must cut back simultaneously and proportionately to each side's total. The reason is not only political but to launch the verification regime on both sides from the start.

That comes to the crux. Verification has been

the key Western demand, and for good reason. The purpose of arms control is to reduce danger and increase confidence in security.

Inspectors running around test sites and factories, as well as deployment sites, would go a long way toward changing the climate on both sides and making further agreements easier.

There has never been an agreement to destroy nuclear weapons yet; it would be a historic first. But the real advance toward reversing the arms race would be in establishing regular and reliable verification, in other words some open and agreed mutual spying. It is not an excess of secret leaks that shadows relations, but too little information.

That should now be the central hope and concern in pushing for agreement. The rest is hypothetical balances and questions of prestige, which have meaning only if East and West are headed toward war. Serious mutual controls would be a practical start on heading the other way.

The Russians say in public that there is no problem that they have moved to the point of being ready to accept just as much intrusion as the West will accept. That remains to be seen in the fine print. America has tabled its verification proposals in Geneva. The Russians have not yet either accepted those or laid down their own.

There is a lot of dancing around now as each side seeks to squeeze a bit more or give a bit less. There is a lot of obfuscating pseudo-strategy. As the negotiations go to the moment of truth, keep your eye on the details. They will show how much of the talk has been playing to the gallery, and how much is about a real start on disarmament.

The New York Times.

Buchanan Goes Back To the Wild

By Philip Geyelin

WASHINGTON — Somewhere at a high level in the White House there is a detailed "Memorandum for the President." It presents a master plan of action to make the most of Ronald Reagan's remaining months in office — a grand strategy, no less, for blowing away the Iran-contra scandal and establishing a proper Reagan niche in history.

Forget about the arms control agreement, it says. "Nicaragua and SDI are the two items of unfinished business on the Reagan Agenda indispensable to the Reagan Legacy." Forget, as well, the Tower board's fuzzy emphasis on "managerial style." Instead, issue "marching orders ... that will guarantee that SDI is irreversible and that the Sandinists are out of power by the fall of 1988."

And forget about accommodation with Congress: "To get [the Iran-contra] controversy off page one we must find a new controversy to put on page one." One way to do this is to turn Nicaragua over to U.S. military commanders and "hold Congress accountable for the cost in American blood of using U.S. Marines."

Another way is to stop the legal quibbling over constraints in the Anti-Ballistic Missile Treaty, serve the necessary six-month notice and go full-blown for SDI deployment. "Such a presidential decision would set off a firestorm that would make Americans quickly forget" the Iran-contra affair.

Reax. This is not official. It is Patrick J. Buchanan, the departed White House communications director, as he holds forth for nearly four pages in a recent issue of Newsweek as a private citizen and self-appointed keeper of the Reagan-conservative flame.

Why call attention to it, now? Mr. Buchanan and a lot of like-minded ideologues are gone and the presidency is in safer hands.

One reason comes under the heading of count-your-blessings. Whatever damage may be done to the last two years of the Reagan presidency by new revelations from congressional investigations under way, or by judicial process, we are now advised by the usual anonymous sources that the president is responding well to a new, improved way of White House life. He is said to be actively engaged in decision making, taking charge, weighing options. We shall see how this works.

But if the presence of Howard Baker as chief of staff, Frank Carlucci as national security adviser and a new team is one of the blessings, the absence of the loose Buchanan is another. The memorandum is a reminder of the quality of counsel the president was getting before the lid blew off.

The president's close-in counselors found a sympathetic ear — on the Sandinists, on the SDS. Mr. Buchanan's "memorandum" to Mr. Reagan recalls "how you often put it at the Issues Lunch": "If not now, when? If not us, who?" It is not hard to imagine, from Mr. Buchanan's prescriptions, what sort of thickheaded, recklessly irresponsible responses the president was getting at those lunches.

A second reason for studying Mr. Buchanan's memo is what it tells about the future of his kind of conservatism as a practical political force. In an article accompanying the memo, he speaks directly to this point. "A lot of conservatives don't have the temperament for government service," he says. "They're happier in the wilderness."

But the Reagan presidency has given bachelors of them a chance to learn the government ropes from the inside: "They've not only gotten used to government, they're good at it." Good at it? To the extent that Mr. Buchanan's "memorandum" reflects his own learning experience, it reveals no sense whatsoever of how government works.

Some 7,000 U.S. troops were used to subdue 700 Cuban combat engineers in Grenada. Nicaragua has a standing army of 60,000 plus, not counting a large militia. If the 10-to-1 Grenada offense-defense ratio is about right, Mr. Buchanan might want to bear in mind that the total strength of the U.S. Marines is under 200,000.

He should know, too, that congressional funding will fix the pace of SDI research and development.

He would have the United States handle arms control by negotiating not with the Soviets but with West Germany, with an eye to creating a West German nuclear capability. He should talk with the West Germans and the rest of Europe about that.

He would have the president solve South Africa's problems at a "secret" U.S.-South African summit to negotiate away both U.S. sanctions and apartheid. And he would — but enough of this. There is an apt mixed meaning in the Newsweek headline over the Buchanan memo: "A Conservative Makes a Final Plea."

Washington Post Writers Group.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: High-Diving Dog

NEW YORK — Canine versatility lost a valiant champion recently when Jere, an Irish terrier of pure white, died at the home of his master, F.P. Butler, in Brooklyn, after having completed one of the most varied careers allotted to dog life. Well known in practically all parts of the borough, Jere was the companion and favorite of those who visit the beaches and in and about Coney Island in the summer. Chief among Jere's accomplishments was his genius for high diving. In this he was unrivaled by any other dog on the whole Atlantic coast. Swimming out to the diving platform, it was customary for Jere to climb the ladder and then cast himself with perfect poise from the platform as cleverly as any highly trained swimmer.

The writer is a professor of obstetrics and gynecology at the Yale University School of Medicine and author of the novel "Second Seed." She contributed this view to The Hartford Courant.

1937: Hawaii War Games

HONOLULU — More than 500 planes today (April 24) darkened the skies above Oahu, greatest military "rout" 139 ships of the United States maneuver

Senate Unit Rejects Penalties On Pakistan Over Nuclear Issue

By Don Oberdorfer
Washington Post Service

WASHINGTON — The Senate Foreign Relations Committee voted not to penalize Pakistan for what U.S. intelligence has reported to be a nearly successful drive to acquire nuclear weapons.

The 11-to-8 vote Thursday was interpreted on Capitol Hill as a blow to the anti-proliferation forces that have been urging Congress to withhold substantial amounts of U.S. aid from Pakistan. These forces had considered the Senate committee a likely place to win a victory.

The House Foreign Affairs Committee had previously voted, as the Senate committee did Thursday, to warn Pakistan of U.S. concern about nonproliferation but not to make any cuts for this reason.

There was considerable debate in the Senate committee about the security threat to Pakistan from Soviet military action in Afghanistan and over Pakistan's role in that conflict. In effect, the lawmakers were balancing nonproliferation concerns with concerns about Afghanistan.

Mahathir Barely Wins Party Leadership Vote

By Michael Richardson
International Herald Tribune

KUALA LUMPUR, Malaysia — Prime Minister Mahathir bin Mohamad narrowly defeated a challenge to his leadership of Malaysia's main political party Friday in a vote that most analysts believe has weakened his authority.

Mr. Mahathir survived the attempt to unseat him from the presidency of the United Malays National Organization, known as UMNO, by a margin of 43 votes out of nearly 1,500 cast.

He defeated his trade and industry minister, Razaleigh Hamzah, 761-718.

The polling followed criticism of

Undersecretary of State Michael H. Armacost made a last-minute plea to the committee, urging a vote against sanctions on Pakistan. He noted that it would be a bad time to penalize Pakistan because that country was "taking a whale of a beating in its border areas" from Soviet and Afghan forces.

Pakistani, he said, is also involved in negotiations about a political settlement of the Afghan war, and he said there were "some hints" of success in these talks.

Mr. Armacost said that Pakistan "fully understands the consequences of acquiring or testing" a nuclear device and that a public ultimatum to that country would be "counterproductive, not productive."

The position accepted by the Senate and House committees "has no teeth and doesn't even have guns," complained Senator Alan Cranston, Democrat of California. He was one of the sponsors of a plan to require Pakistan to stop producing "weapons-grade nuclear material" or lose \$100 million of the \$625 million in U.S. aid proposed for Pakistan in fiscal 1988, which begins Oct. 1.

Mr. Cranston argued just before the vote that withholding \$100 million would leave enough in Pakistan's package to permit the United States "to shore up the freedom fighters in Afghanistan and also have a policy on nuclear proliferation."

He maintained that Pakistan did not deserve its full foreign-aid allocation when it was "breaking statements made to the president and moving forward to a nuclear-weapons capacity."

Mr. Cranston was referring to a 1984 exchange of correspondence between President Ronald Reagan and President Mohamed Zia ul-Haq of Pakistan in which Mr. Reagan insisted—and in which General Zia was said to have agreed—that Pakistan enrich uranium to a level no higher than five percent, too low for weapons purposes.

Last November, U.S. intelligence was reported to have said that Pakistan had enriched uranium to 93.5 percent at its Kahuta plant. This is higher than necessary for nuclear weapons.

Senator Jesse Helms, Republican from North Carolina, had argued that a cut in aid "undoubtedly would be seen by Pakistan as a hostile act" by a previously reliable U.S. ally.

In another action, the committee voted 10 to 9 along party lines to forbid the U.S. sale or financing of supersonic jet aircraft to Central American countries. This was intended to prevent the administration from going through with a proposed sale of F-5E fighters to Honduras.

Hanoi Considers U.S. Offer to Send A Special Envoy

Agence France-Presse

HANOI — Vietnam said Friday that it was studying a U.S. proposal to send a presidential envoy to Hanoi to discuss humanitarian issues, notably the problem of U.S. soldiers missing in action in the Vietnam War.

"We are in the process of studying the proposal, which we've just received," a Foreign Ministry spokesman said.

John W. Vessey Jr., a retired U.S. Army general and former chairman of the Joint Chiefs of Staff, has been appointed by President Ronald Reagan to visit Vietnam if he accepts the proposal.

The U.S. servicemen listed as missing in action since the Vietnam War are considered by Washington as much of an obstacle to normal ties with Hanoi as is the presence of Vietnamese troops in Cambodia.

Two Americans, a Hong Kong Chinese and a Japanese doing busi-



Sri Lankans examining photographs in an effort to identify the victims in Tuesday's bombing at the Colombo bus station.

Associated Press

Bribery Said to Mar China Business Scene

By Daniel Southerland
Washington Post Service

BEIJING — Chinese officials are increasingly soliciting bribes from foreign business executives negotiating for contracts in China, according to several businessmen who live here or visit regularly. The growth of such corruption could discourage outside investment and intensify the political power struggle here.

Since China began doing business on a regular basis with Japan and the West in the late 1970s, gift-giving has often been used by foreign business executives to help penetrate the Chinese bureaucracy. But over the past few years, as Beijing has sought the foreign investment and technology that it needs to modernize the country, that practice has become much more widespread, with some officials now asking that bribes be deposited in foreign bank accounts by the businessmen say.

Corruption is one of the most politically sensitive issues in China. Some analysts say critics could argue that corruption is one of the results of Deng Xiaoping's decisions to introduce market-oriented economic changes and reduce central government control. Practices such as bribe-taking could strengthen the hand of those within China's ruling hierarchy who oppose the scope and pace of the changes, these analysts say.

Two Americans, a Hong Kong Chinese and a Japanese doing busi-

ness here agreed to talk about bribery in China as long as they were not identified. All intend to continue working here and declined to name any of the Chinese officials alleged to be taking bribes. The four are not acquainted with each other and were interviewed separately.

The businessmen said the amount of money involved in

also argue that they have taken strong measures to prevent it. The official Guangming Ribao newspaper reported last week that a police officer in southern Guangdong Province was sentenced to death for accepting jewelry and bribes from unidentified sources amounting to more than \$64,000 over a four-year period.

Last year, the authorities an-

"It used to be that you could hand a guy a camera, and he'd be delighted. But those days are gone."

— A U.S. businessman

bribes varies with the size of contracts. They said that bribes can range from a few hundred dollars in the first instance to as much as \$10,000 or more. Subsequent requests are often more.

"It used to be that you could hand a guy a camera, and he'd be delighted," one of the American businessmen said. "But those days are gone."

He added, "Nowadays, they want at least several hundred dollars for a start and then it goes into the thousands."

Chinese officials acknowledge that cases of economic crime, which includes bribery, have increased in recent years. But they

announced several cases of severe punishment for bribe takers. Among them:

• In April, an employee of a state-owned company was executed for selling to foreign and Hong Kong businesses "state secrets" concerning China's automobile imports and negotiations undertaken with competing businesses.

In that statement, Yang Yichen, the procurator-general, said that "resolute measures taken against economic crimes" have basically held in check what he described as a "rampant economic crime wave."

Mr. Yang said the number of cases of economic crimes handled by Chinese courts increased by 54 percent last year.

More than 700 cases involved leading officials at the county level and higher, he said, and 137 cases involved officials in central government departments. He did not specify how many cases dealt with bribery.

Sri Lanka Continues Air Raids on Rebel Bases

The Associated Press

COLOMBO, Sri Lanka — The Sri Lankan Air Force bombed several Tamil rebel hideouts Friday as part of a campaign to eliminate northern guerrilla bases the government said.

President Junius R. Jayewardene ordered the air raids against the guerrillas in response to a week of rebel attacks in which at least 248 people died.

Tilak Ramakara, director of the government media center, said seven hideouts of two Tamil groups were destroyed Friday on the Jaffna Peninsula, which is controlled by the rebels. He did not provide details or cite casualties.

Other officials have said that 160 rebels were killed in air raids on Wednesday and Thursday.

The government has blamed two Tamil separatist groups, the Liberation Tigers of Tamil Eelam and the Tamil Revolutionary Organization of Students, for the bombing Tuesday at the Colombo bus station in which at least 106 people were killed and 295 wounded. Both groups have denied responsibility.

In addition, 142 people, mostly Sinhalese, died in assaults in the eastern part of the country.

The national security minister, Lalith Athulathmudali, said Friday that the air raids would continue until all bases of the two Tamil groups suspected in the bombing were destroyed.

Land Minister Gamini Dissanayake said in Parliament on Thursday that the guerrilla bases must be eradicated because the insurgents have refused to negotiate.

"We have decided to wipe them out," he said.

Other officials have said that the bombing raids were also intended to help appease the angry Sinhalese majority on the island.

Parliament extended the national state of emergency for another month. It has been in force since 1983 and renewed monthly since then. It gives the government sweeping powers to deal with insurgents, including arrest and detention without charge.

The government's handling of the situation has been strongly criticized by opposition members of Parliament. On Friday, policemen dragged from Parliament several outraged deputies who accused the government of murdering unprotected civilians in the air raids.

Prime Minister Ranasinghe Premadasa told Parliament on Friday that there could be no more talk of a negotiated settlement until peace was restored.

INTERNATIONAL EDUCATION DIRECTORY

U.S.A.

CYPRUS INTERNATIONAL SCHOOL

- Grades K-12
- Boarding, grades 8-12
- Convenient to the Middle East, Europe and Africa
- An American, college-preparatory curriculum

Operated by International Schools Services, with over 30 years of experience in American and international education abroad. For applications and further information, contact:

The Director of Admissions
ISS International School Cyprus
c/o International Schools Services
PO Box 5910, Princeton NJ 08543 USA
Telex: 843 508 SCHOLSER PRIN
Telephone: (609) 452-0990

LINCOLNFARM Camp

New York's top resident coed camp. 65 miles northeast of NYC at Lake George, NY. ATHLETICS: 8 tennis, 8 light, 3 basketball, 2 football, 2 soccer, gym, polo, archery, gymnastics, weights, intercamp. WATER: Lake & pool, 80 boats, sail, kayak, canoe, row, water-ski, windsurfing, floating. SWIMMING: 8 pools, carts, driver's-ed, auto-mach, mini-olines, bicycles. TRAVEL: Overnights to festivals, summerstock, Washington, Penn, Dutch, Cape Cod, Niagara. STUDIOS: Computers, fine art, leather, wood, ceramics, cooking, jewelry, textiles, photo & 24 cameras. CAMPUS: 100 acres, 10 buildings, dormitory, dining hall, swimming pool, sauna, steam bath, laundry, shop. INTERNATIONALCOSMOPOLITAN: English lessons, bilingual staff, airport transfers, NYC sightseeing trip. For illustrated catalog: HAROLD LOREN, Box 695-H, Andover, NY 10502 or telephone (514) 633-2222

WILLIAM PENN COLLEGE

offers two summer sessions:

July 4 - August 3

Specified and practical studies in the areas of: Engineering, Technology, Applied Computer Science, & more is offered to qualified students.

William Penn College is a 4-year, highly accredited, residential college located in the heartland of America.

For Admissions information, contact:

William Penn College

Oskaloosa, IA

Ph: 515-673-8315

UNIVERSITY DEGREE

BACHELORS • MASTERS • DOCTORATE

For Work, Academic, Life Experience.

Send detailed resume for free evaluation.

PACIFIC WESTERN UNIVERSITY

400 N. Sepulveda Blvd., Los Angeles, California 90009, Dept. 23, USA

WANT TO SPEAK FRENCH?

You can, through the "TOTAL APPROACH" to French, a unique 4-week program on the Riviera. COMPLETE ALL-DAY IMMERSION, ONLY IN FRENCH: Daily 8:30-17:00. With 2 meals, in small groups. Audio-visual Classes, Language Lab, Practice Sessions. Discussion, French, Exercise, Learning in private environment included. For more info, call: 914-273-2222.

The next available 4-week immersion course starts May 4, June 1 & all year. Years of research & experience in the effective teaching of French to adults.

INSTITUT DE FRANCAIS - D-25.

23 Av. Gen-Lecle, 96 VILLEFRANCHE/Mer. Tel.: 93 01-38-44. Telex: 970.989.

LEARN AND LIVE THE FRENCH LANGUAGE

in calm and safe surroundings near Monte Carlo. Copied & health resort, offers a wide range of hotel and pension.

THE CENTRE MEDITERRANEE D'ETUDES FRANCAISES offers 2 years of experience. Whether you're a beginner, intermediate or advanced student, small group, 4, 8 or 12 hours courses starting each month. Courses taught by professionals.

Centre MEF offers a wide range of services: day or with board and lodging.

CENTRE MEDITERRANEE D'ETUDES FRANCAISES

06320 Cap d'Antibes (France).

Tel.: 93.78.21.39 - Telex: CMED 461 792 F

VERSION FRANCAISE

then trust professionals

intensive, off levels.

Small groups (8, 12, 16, 20, 24)

and books.

37 Bd. de Clichy - 06000 NICE. Tel.: 93 81 90 21.

SWITZERLAND

Blyth & Compagnie - EUROPE

SUPERBLY LED PROGRAMS FOR HIGH SCHOOL AGES

French immersion in Martinique, Towing, Sailing, and Skiing Programs in Europe, Skiing in Canadian Rockies, Marine Biology in Canada and Grand Cayman, Hockey in USSR, African Safari, study tour in China.

ENRICHMENT PROGRAMS AT OXFORD, STANFORD AND UCLA

Residential Program at Pembroke, St. Peter's and Magdalen College, and Cambridge New Hall. Taught by faculty from Oxford, Harvard, and top secondary schools. Accredited high school programs in Literature, History, Political Science, Drama, Film and Art. Film Studies of UCLA, Liberal Arts enrichment at Stanford.

Please phone or write: BLYTH & CO for details and brochure
12 Rue Dupetit-Thouars - 75003 PARIS France (1) 48 97 97 97
USA (800) 228-7712 CANADA (416) 964-2569

INSTITUT MONTANA ZUGERBERG

International boarding school with rigorous U.S. college preparatory program for Americans. Grade 9-12. French sections for French, German and Italian-speaking students. Thorough practice of modern languages. Highly qualified American faculty. Affiliates member National Association of Independent Schools. College Board. Ideally located at 3,000 feet above sea level, in central Switzerland, 45 minutes from Zurich and Lucerne. All sports, excellent facilities. Travel Workshop during spring vacation. Language Program in July and August.

Write: Dean of the American School, Institut Montana

ARTS / LEISURE

Finding 'New' Works From Bologna School*International Herald Tribune*

LONDON — The dream of all talented dealers is to find wonders by exploring the unknown. The second bit seems to be the easier part of the proposition. The script can be fascinating, the images are rarely convincing. The School of Bologna 1570-1730 is an ambitious effort by two brilliant dealers, Derick Johns and Philip Harari, whose firm, Harari & Johns is three minutes walk up from Christie's at 12 Duke Street.

Johns ran the Old Masters Department at Sotheby's for years before leaving in 1981 to go into partnership with Harari, the son of Max Harari, managing director of Wildenstein's London. He too has had prolonged experience on the financial side of the art business. They know all the ropes have a worldwide network of contacts with museums and high-powered collectors, board flights at the drop of a hat when the chance of finding a good thing looms in the offing. Their exhibition of "Twenty-Four Bolognese and Emiliani Paintings," as the description goes, not

all for sale, is their first in six years. It gives some idea of what the best eye and the sharpest financial mind can hope to achieve in the market as it stands.

John's interest in the Bolognese school was triggered by one of those discoveries that make every art buff feel that the world is not such a bad place to live in. Routine viewing of Old Master paintings

SOUREN MELIKIAN

sale at Bonham's in July 1985. Johns was struck by the portrait of a young boy emptying the contents of a glass held in one hand while balancing a decanter in the other. Bonham's described it as a work of the "School of Carracci." Johns's eye told him that, underneath the coating of grimy varnish, there must be an admirable portrait. D. Stephen Pepper, who currently lays down the law on what is "by" the Carracci and what is not, gave it the seal of approval.

Annibale Carracci, his brother Agostino and their elder cousin Lodovico are the towering figures in a

movement that emerged around 1580 in Bologna. The city had no princely patronage, but one of the oldest universities and, therefore, ideas. Pepper, in his introduction to the exhibition catalogue, links what he aptly characterizes as "a renewed sense of naturalism" with the views of the Archbishop of Bologna. The churchman thought that the success of the Protestant Reformation lay in its simple way of presenting the doctrines of faith to "unlettered people." He wanted direct didactic representation in religious iconography. This implied a rejection of the sophistication of Mannerism with its literary allusions and its visual stylization.

Without actually saying it, Pepper suggests that the Carracci's role in this may have had something to do with their modest social origins. Lodovico was the son of a butcher, Agostino and Annibale the sons of a tailor. Annibale's observation of daily life in unconventional postures led to some of the most brilliant innovations in portrait painting. The portrait of the boy promptly found its way into the hands of Peter Sharp, the owner of the Carlisle Hotel in New York, who took to collecting Old Masters a short while ago. It is a star piece in the traveling exhibition that started in the autumn in Bologna and is currently at the Metropolitan Museum of Art in New York.

This got Johns hooked on the Carracci. Within a year, he stumbled upon another portrait, dubbed "a Bassano" in some minor sale. The rounded shoulders, the detail of the folds, the back of the boy's head, are certainly reminiscent of the characters in daily life scenes painted by the Bassano family. But the concentrated expression, with a touch of tired yet avid bitterness, the tense gesture of the hands raising the beaker to the lips suggest a stronger hand — Annibale. Pepper concluded, dating it to around 1590-92.

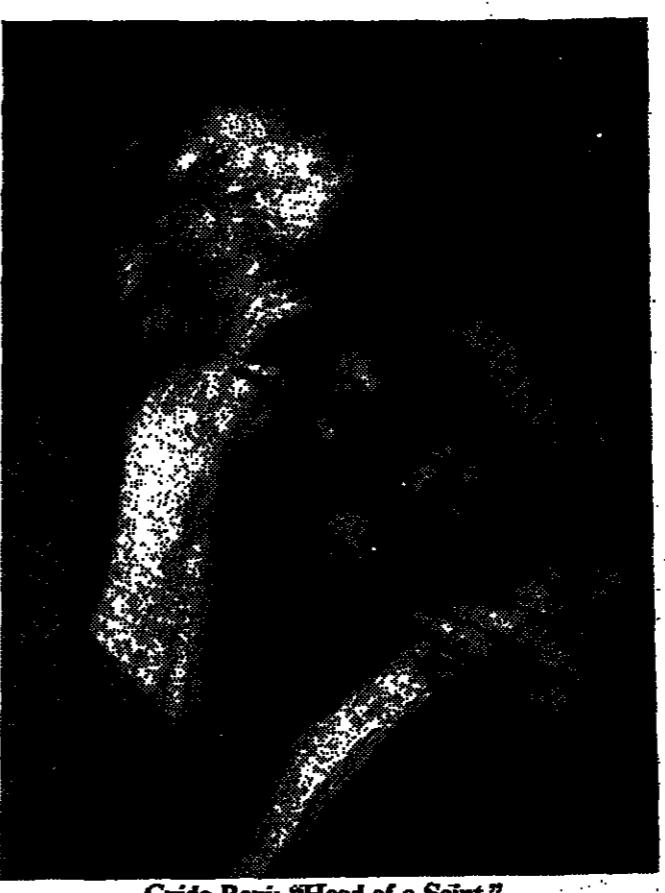
In between the two Annibale Carraccis, as the two portraits will be seen at least for a few years to come, Johns found an elaborate composition again classified as Bolognese School work. It is hard to imagine anything more different than this "Holy Family with St. John" done by Denys Calvaert. The Antwerp-born artist left his home for Italy around 1560, never to return to Flanders. He spent some time in Bologna and was in Rome by 1572 working with the famous artist and critic Georgio Vasari on the decoration of the Sala Regia in the Vatican. When he came back to Bologna in 1575, he worked in a Mannerist style illustrated by this soppy, prissy scene painted on copper in a mood that almost anticipates the French 18th century at its most flippant. All the same, this was another discovery. Actually the "Holy Family" was among the first paintings to be sold after the opening at Harari & Johns

on April 8.

The head of an Evangelist formerly in the Gambier-Parry collection is a singularly more exciting find. Pepper considers it to be "an autograph work of Guido Reni" about whom he has written the monograph that currently serves as a reference book on the subject. The historian explains that it was customary for Reni to produce several variants on the same theme such as, for example, an elderly



Annibale Carracci: "Boy Drinking."



Guido Reni: "Head of a Saint."

man seen head and shoulders reading a book. In Johns's discovery, the man is painted as if seen by a viewer standing somewhere above him. The head pressed, rather than just resting on the clenched fist, the strong fingers distorted by heavy manual work with grime at the tips blends the realism born a generation earlier with a theatrical penchant, Reni's weak spot.

Most challenging of all is a portrait of a man in a wide brimmed hat now called by Pepper a "self-portrait" by Reni. When the American scholar saw it first, "many years ago before its cleaning," he was "unable to detect its autograph qualities beneath the disfiguring dirt and varnish," he writes in the catalogue entry.

Traces of heavy cleaning that verges on scraping now leap to the eye. It is an astonishing work that bears little relationship to Reni as we thought we knew him. The bust, very slightly turned and cut off by the frame on each side has a certain Dutch feel. Very Dutch indeed is the palette and its color balance.

Two big black masses, the cloak and the hat, are set off by the white spreading collar and the grey ground, almost flat. The face handled with great precision, down to the hairs of the moustache and the goatee, stands out in the center as

in 16th-century portraits by Frans

If the unofficial point of the show was to tickle the viewer's curiosity, it has fully succeeded. On the other hand, its declared intention to have it as kind of miniature companion exhibition to the current Metropolitan Museum blockbuster, "The Age of Correggio and the Carracci" in order to "present outstanding works of this school" is unconvincing. It fails to be consistent in its stylistic development — which is impossible in only 24 pictures — or quality; there is no way you can discover an undetected masterpiece for peanuts at the rate of one a month. Which is what the paintings for sale suggest may have been the true point of it all. Still, there is no harm in trying.

AUCTION SALES**Six Fakes Found In U.S. Museums***Washington Post Service***PICASSO**

in Düsseldorf

on May 9, 1987

AUCTION SALE

of valuable paintings from

Pablo Picasso, Fernand Léger

Jean Fautrier, Serge Poliakoff

as well as works of Josef Beuys,

Jörg Immendorf, Ernst Ludwig

Kirchner, Otto Dix, Erich Heckel.

Furthermore we offer paintings

from German and

Dutch Romantic School.

Catalogue on request DM 10.—

KARBSTEIN & SCHULZTE

Hohenzollernstr. 36

D-4000 Düsseldorf/W. Germany

Tel.: 49-211-361 32 32

DOONESBURY

YEAH, I JUST WANTED

TO SAY I'VE NEVER BEEN

LIVED IN BEING ACTIVE

UNLESS KITE-SKIING MARRIED.

NOthin' wrong with

that, son.

I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

ABOUT DR. MORSE.

WELL, I'M NOT JUST SAYIN' THIS,

HOW DID OUR LINE CHANGE YOUR LIFE?

الجامعة الأمريكية

Among Gandhi's Critics, Lack of an Alternative Prime Minister

By Steven R. Weisman
New York Times Service

NEW DELHI — With a potential scandal and countless other headaches, Prime Minister Rajiv Gandhi is receiving a constant thrashing from critics in Parliament. His critics have seldom had it so good.

Yet, the politician widely viewed as Mr. Gandhi's most serious rival in the Indian national scene has a crucial admission. The opposition, he says, is not yet prepared to challenge the prime minister with a personality or a program.

"You know, the government will not fall so easily," said the politician, Ramakrishna Hegde, the chief minister of the southern state of Karnataka. Even if Mr. Gandhi's government collapsed, he said, "no party is in a position to form a government at the moment."

Mr. Hegde is an unusual figure in the bombastic Indian political world. As chief minister, he has resigned twice on "moral" grounds, only to be pressed back into office by supporters.

In the last few years he has become a star of the Janata Party, or



Ramakrishna Hegde

People's Party, and a gently acerbic critic of the government.

Especially among the urban middle class, Mr. Hegde has gained stature as a clean politician, an ultimate accolade meaning that his tenure is unattended by rumors of payoffs and kickbacks of the kind swirling around the prime minister

today. Indeed, Mr. Hegde is the only figure outside Mr. Gandhi's Congress (I) Party who routinely appears at the top of popularity polls.

When he looks at Parliament, Mr. Gandhi sees a noisy but ineffectual opposition holding only one out of five seats. Looking at a map of India, he sees something different, pointing to why Mr. Hegde has become an important figure.

In recent years, the Congress (I) Party's base in the states has crumbled to the point where it has lost control of the south and much of the east and the north. In most cases, the party lost to regionally based organizations or coalitions. Now, seeking to transform that local opposition into a national force, Mr. Hegde is hoping to create a new federation with the chief ministers from other states not governed by the Congress (I) Party.

In the past, opposition unity has proved elusive, and few doubt the challenges ahead for Mr. Hegde. There is also the admitted problem of coming up with a program.

Mr. Hegde offers "no basic change" in India's foreign policies. In the economic sphere, he argues that the poor are being left behind

under Mr. Gandhi. He wants to decentralize government services, as he has done in Karnataka, a state of 40 million people, to great praise. He opposes "concentrations of wealth" and generally would continue India's socialist approach.

Policies aside, New Delhi is awash with gossip these days about scenarios in which the prime minister could suddenly be driven from office.

According to one, President Zail Singh might even dismiss Mr. Gandhi and ask someone else to form a government, getting support from both the opposition and a breakaway faction of 150 or so Congress Party members. Mr. Hegde has lately paid numerous visits to the disaffected Indian president.

An aide to the prime minister dismissed such talk as "highly exaggerated, wish fulfillment" by a handful of disgruntled people. But others contend that Mr. Gandhi's own allies are ready to bolt if the party keeps losing state elections.

The members of the Congress (I) Party will stick to Rajiv Gandhi only if he is in a position to get them elected," Mr. Hegde said. "If his popularity and credibility go down, these people will jump to the other side."

In theory, Mr. Hegde could not himself directly benefit from a defection because he does not serve in Parliament. But the problem with the scenario is that no one of any stature has emerged in or out of the Congress (I) Party.

Mr. Hegde faces numerous other obstacles, including rivalry with the national Janata Party leader, Chandra Shekhar. Still, many are tantalized by his apparent encouragement of talk that he might resign in Karnataka, come to the capital, and try to lead an opposition campaign in the next general election.

Once universally praised for his fresh approach, the prime minister, who won in a landslide in 1984, is now constantly on the defensive. The attacks focus now on assertions that the Congress (I) Party received kickbacks on two overseas weapons contracts and protected a big textile concern accused of fraud.

"He started off so well," Mr. Hegde recalled of Mr. Gandhi's first months after taking office upon the assassination of his mother, Indira Gandhi. "His behavior toward others was perfect. I should say, now I do not know what hap-

pened, how he suddenly became — he paused to think of the word — so rude."

So far there has been no proof of the corruption charges, but Mr. Hegde says it will come. The prime minister, he declared, may have wanted to banish payoffs and kickbacks at first, but was forced to change to the party's old ways.

"His friends must have told him, 'You know, you need money, you cannot go on preaching morals,'" Mr. Hegde said. "He became surrounded by a small coterie and got cut off from everyone else."

Mr. Hegde began his career as a member of the Congress (I) Party. He left in 1969, when Indira Gandhi split the party, driving away party elders, including Mr. Hegde's mentor, Morarji Desai.

Trained as a lawyer, Mr. Hegde served as a leading spokesman when Mr. Desai led the Janata Party government as prime minister in 1977-80.

That period was the only time that India was not led by the dynasty that began with the founding prime minister, Jawaharlal Nehru, continued on to his daughter, Mrs. Gandhi, through to her son Rajiv.

American Airlines to the USA from 8 European cities.

From London/ Gatwick, Manchester, Paris/Orly, Frankfurt, Dusseldorf, Munich, Geneva and Zurich.

ARMS: Experts Debate

(Continued from Page 1)
military strategy of flexible response?

• Would the elimination of the missiles encourage the further de-nuclearization of Western Europe, as some officials fear?

On the first count, advocates of keeping medium-range missiles in Europe have argued that putting medium-range and short-range missiles in Europe shows that the United States would use nuclear weapons and risk retaliation to defend Europe against a conventional or nuclear attack by Moscow.

Mr. Aspin, for example, has advocated that the alliance deploy 50 to 100 medium-range missiles to reassure NATO that the American nuclear guarantee "is alive and well."

This argument has been reinforced by Mr. Scowcroft, who has said that placing the weapons on the ground in Europe would put pressure on the United States to use "them or lose them" in a war. But advocates of the arms-reduction proposals criticize these arguments.

The United States is coupled to Europe by unbreakable cultural and economic ties," said Stephen M. Meyer, an associate professor at the Massachusetts Institute of Technology, who is an expert on medium-range weapons. "It is an absurdity to talk about it solely in terms of equipment."

James R. Schlesinger, a former defense secretary who also wants to eliminate the missiles, said the argument that the missiles were needed to "couple" American and European security interests might have the unintended effect of persuading the Europeans that they are nakedly naked when it simply is not so.

Another key issue is whether the medium- and short-range missiles should be carried out to NATO's doctrine of flexible response.

Advocates of continued deployment of the medium-range missiles argue that a ban on the systems would create a large gap in Europe's defenses.

Mr. Scowcroft, Mr. Woolsey, and John M. Deutch, a former Energy Department official, have argued that aircraft could fill part but not all of this gap. They also noted that to do this would divert the planes from their conventional role, where they are "desperately needed."

Proponents of eliminating the missiles say that the West would have enough weapons to carry out its flexible response strategy if the missiles were eliminated. Walter B. Slocombe, a ranking Pentagon official in the Carter administration, said that the emerging compromise under discussion in Geneva "would be a modest but useful agreement that does not require drastic changes in NATO strategy."

The third issue is whether the elimination of the missiles would prompt fears about the further de-nuclearization of Europe.

Mr. Scowcroft said last week that it would probably be politically impossible for the West to deploy new short-range missiles in light of the Soviet proposal to do away with them.

But he said the West should not give up its right to deploy such missiles because that would further encourage the psychology of demilitarization.

But on Thursday, Secretary of State George P. Shultz asserted that it made no sense for the United States to insist on a right to deploy missiles if it could not exercise that right.

■ **Nunn Urges Escape Clause**

Sam Nunn, Democrat of Georgia and chairman of the Senate Armed Services Committee, on Friday urged that President Ronald Reagan and NATO insist that any medium-range missile treaty state that it could be abrogated if a balance between West and East conventional forces could not be achieved. The Washington Post reported from Washington:

"I think we ought to serve notice in advance," Mr. Nunn said, "that the supreme national interest would dictate that we take a look at the conventional balance in Europe before we complete the withdrawal of medium-range systems."

ARRESTS: Police in France Seize 8 Suspects in 1986 Bomb Attacks

(Continued from Page 1)
bers of another group, arrested in March, collected the explosives just before the attacks.

The sources said they believed the two groups provided logistical support for the bombers. Eleven persons were killed and more than 150 wounded in five Paris bombings in September. In March, 2 persons were killed and 28 hurt in a bombing on the Champs-Elysées.

PRESS: Some Bans Lifted

(Continued from Page 1)

the Appellate Court in Bloemfontein — South Africa's highest court — overturns it on appeal by the state.

The reasons for the ruling were not given immediately. But the National Supreme Court gave the government permission to appeal, effectively freezing the court's ruling. Meanwhile, the government was expected to draft new restrictions intended to overcome the court's objections, as it has done on previous occasions.

However, Friday's ruling appeared to represent a serious challenge to the government's interpretation of the sweeping emergency powers it granted itself June 12 in an effort to stem a worsening social and political crisis throughout the country.

Moreover, a provincial Supreme Court in Cape Town on Friday reserved judgment on an appeal by the opposition Progressive Federal Party seeking to overturn a ban on calling for the release of persons detained without charge on suspicion of subversion or even opposing such detentions.

The government went to extraordinary lengths to rebut that appeal, including the submission of lengthy affidavits by President Botha and other senior officials.

Kenneth Andrew, chairman of the party's executive committee, told the court that Mr. Botha and his national police commissioner, General Johan Coetzee, had exceeded their authority in issuing a ban that was "grossly unreasonable, arbitrary, capricious, vague and influenced by irrelevant considerations."

In an affidavit supporting the ban, an aide to General Coetzee disclosed Friday that 1,424 children between the ages of 12 and 18 were being detained without charges. The figure was far higher than the approximately 800 under-18 detainees cited by anti-apartheid monitoring groups such as the Detainees' Parents Support Committee.

The aide said the total number of detainees of all ages being held last week was 4,244, far fewer than the 25,000 estimated by independent monitoring groups.

Meanwhile, three suspected African National Congress guerrillas were killed and four policemen wounded Friday morning in a gunbattle in Umhlazi Township just south of the port city of Durban, police officials said.

The clash brought to 11 the total killed this week in a violent prelude to the May 6 whites-only election for Parliament, and government officials reiterated fears that black insurgents planned to intensify confrontation to disrupt the political campaign.

Friday's clash followed the shooting by police of six striking black railway workers in two incidents in the Johannesburg area on Wednesday.

A six-week-old strike by 16,000 workers of the South African Transport Services continued Friday. A railway spokesman said the dismissal of the striking workers had been completed, and that the recruitment of replacements would begin on Monday.

More than 60 commuter trains were set ablaze with firebombs during the strike.

Residents of the black township of Soweto outside Johannesburg were reported returning to work Friday after an only partially successful three-day general strike to protest evictions of rent strikers.

■ **INTERNATIONAL MARKETPLACE**
MANAGER
EVERY WEDNESDAY.
INTENT FOR EXECUTIVES
WORKING IN THE
INTERNATIONAL MARKETPLACE

March were cooperating with the DST under provisions that will guarantee them light sentences.

The Paris daily said the leader of the group detained last month, Ali Fouad Salah, collected the explosives from the Moroccans' Paris apartment with an unnamed accomplice.

The sources said the six suspects detained Wednesday had not yet been charged. Under French anti-terrorist legislation, police have until Sunday to charge them.

The group of eight suspected terrorists arrested last month included six Tunisians, said to be Islamic fundamentalists. At the time, that group was linked by police to Iran, but security sources said Friday that they had not been able to reinforce this theory.

The March arrests, which led to this week's roundup, came after West German police found a paper with the name of a Tunisian restaurant in Paris on a Suite Moslem Lebanese arrested in possession of explosives in Frankfurt in January.

The man arrested in Germany, Mohammed Ali Hamadach, 22, was wanted in the United States on suspicion of participating in the 1985 hijacking of a Trans World Airlines Boeing 727 to Beirut. A U.S. Navy diver was killed during the hijacking.

Le Monde newspaper said police were able to make the latest arrests because six of the group charged in

General Giorgieri, a senior air force officer in charge of construction of air and space weapons for the Italian armed forces, was shot and killed by two men on a motorcycle while he was being driven to his home in a Rome suburb.

Police sources said two suspects, Nicolo Serrao and his wife, Giuliana, were arrested in Turin. A 35-year-old American woman, Ellen Codd, and a man identified as Marco Pisano, were detained in Grimoldi, near the border with France, the sources said.

Last year, investigators implicated the brothers of Mr. Abdallah in the bombings, but security sources now say that the brothers, who live in northern Lebanon, are not thought to have been the actual bombers, though they may have had an organizational role.

Marco Malaspina, 27, and Francesca Dimitri, 29, were arrested in Rome. Mr. Dimitri, wanted since 1982, was sentenced in his absence in 1984 to five years in prison for membership in an armed group, police sources said.

The arrests resulted from investigations following the capture of three suspected terrorists after a gun battle in Rome in January and the arrest in Barcelona earlier this month of two Italians found with literature of the Red Brigades guerrillas and the French group Direct Action, police sources said.

They said Mr. Pisano and Ms. Codd recently returned to Italy after several months in Spain.

VOTE: Desire for Change

(Continued from Page 1)
northwestern tip of the archipelago.

About 80 percent of Indonesia's population is Moslem, and in previous elections Islam provided an emotional rallying cry. The party's decline this year appeared to reflect the government's success in defusing the potentially explosive issue.

This year, the campaign revealed an unexpected undercutting of discontent among young Indonesians in the larger cities, reflecting, in part, a generational changeover. A majority of the population is now under 30, and power is still held by a military-bureaucrat elite made up of aged veterans of the independence war against the Dutch.

Many Indonesian and foreign analysts agreed that even with the Golkar landslide victory, the election still poses an unexpected challenge to Suharto, a deft political thinker who has guided Indonesia through more than 20 years of economic growth.

Suharto, they say, must now heed the signals from the campaign and take steps to reinvigorate his government, including efforts to clean up corruption and curb his family members. If not, he risks seeing discontent evolve into a more serious form of political opposition.

SUMMER 1987 YOUR SUMMER TO LEARN PARIS at The American College in Paris

Summer Session at The American College in Paris is a 6-week program that will change the way you see Paris, the way you think Paris. Our courses and cultural program are designed for college-aged students and adults of all ages who are looking this summer for a mind-stretching experience that will color a lifetime.

Art History
Business Administration
Computer Science & Mathematics
Economics

Plus a Summer Session travel program to tempt you away from Paris and into the French countryside... to Normandy, Burgundy, Champagne and the Castles of the Loire Valley.

- no knowledge of French necessary
- no age limit

JUNE 22 - JULY 30

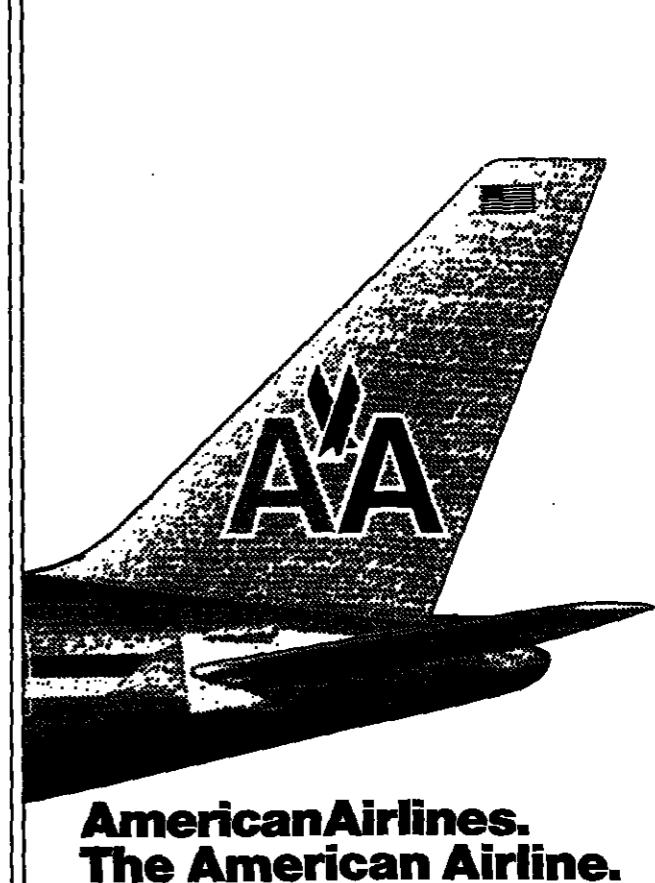
Please send me more information on The American College in Paris 1987 Summer Session

Name _____

Address _____

City _____ Country _____

Mail to : The Director of Summer Session
The American College in Paris
31 Avenue Bosquet, 75007 Paris, France
or phone : Tel. (33) (1) 45.55.91.73



AmericanAirlines.
The American Airline.

Call your travel agent or nearest American Airlines office.

NYSE Most Actives								
Vol.	High	Low	Last	Chg.	Close	Chg.	Per cent	Close
NL Ind. of 32604	150	140	140	-10	140	-10	-7	140
Astec Inc.	1170	115	115	+1	115	+1	+1	115
AT&T	2072	205	205	+1	205	+1	+1	205
IBM	1824	180	180	+1	180	+1	+1	180
Weyerhaeuser	14312	152	152	+2	152	+2	+1	152
Int'l Paper	14103	142	142	+1	142	+1	+1	142
VLT-V	13501	135	135	+1	135	+1	+1	135
Holiday Inn	12923	118	118	+1	118	+1	+1	118
Stoelzle	12254	71	71	+1	71	+1	+1	71

Market Sales								
Vol.	High	Low	Last	Chg.	Close	Chg.	Per cent	Close
NYSE Inst. 177,000,000	177,000,000	177,000,000	177,000,000	—	177,000,000	—	—	177,000,000
NYSE Inst. Cdn. close	172,500,000	172,500,000	172,500,000	—	172,500,000	—	—	172,500,000
Amex prev. com. close	132,200,000	132,200,000	132,200,000	—	132,200,000	—	—	132,200,000
OTC P.D.T.	132,000,000	132,000,000	132,000,000	—	132,000,000	—	—	132,000,000
NYSE volume up	132,000,000	132,000,000	132,000,000	—	132,000,000	—	—	132,000,000
NYSE volume down	132,000,000	132,000,000	132,000,000	—	132,000,000	—	—	132,000,000
Amex volume up	79,500,000	79,500,000	79,500,000	—	79,500,000	—	—	79,500,000
Amex volume down	79,500,000	79,500,000	79,500,000	—	79,500,000	—	—	79,500,000
OTC volume up	132,000,000	132,000,000	132,000,000	—	132,000,000	—	—	132,000,000
OTC volume down	132,000,000	132,000,000	132,000,000	—	132,000,000	—	—	132,000,000

Dow Jones Bond Averages								
Bonds	Close	Chg.	Total Issues	High	Low	Chg.	Per cent	Close
Bonds	91.24	—0.04	100	91.64	91.04	—0.37	-0.37	91.24
Utilities	91.43	—0.45	100	91.88	91.04	—0.87	-0.87	91.43

NYSE Diary								
Close	Prev.	Buy	Sales	Shrs'	Open	High	Low	Last
Advanced	371	367	52,470	50,462	371	371	367	371
Declined	324	324	57,600	57,600	324	324	324	324
Unchanged	324	324	20,500	20,500	324	324	324	324
Total Issues	1087	1087	108,490	108,490	1087	1087	1087	1087
New Highs	28	28	100	100	28	28	28	28
New Lows	28	28	100	100	28	28	28	28

NYSE Index								
High	Low	Close	Chg.	Open	High	Low	Close	Chg.
Composite	141.05	140.95	140.95	-0.10	141.05	140.95	140.95	-0.10
Transport	134.55	134.25	134.25	-0.25	134.55	134.25	134.25	-0.25
Utilities	144.61	143.61	143.61	-1.00	144.61	143.61	143.61	-1.00
Finance	144.51	143.51	143.51	-1.00	144.51	143.51	143.51	-1.00

Friday's NYSE Closing

Via The Associated Press

AMEX Diary								
Class	Prev.	Close	Chg.	Open	High	Low	Close	Chg.
Advanced	316	316	—	316	316	316	316	—
Declined	324	324	—	324	324	324	324	—
Unchanged	324	324	—	324	324	324	324	—
Total Issues	324	324	—	324	324	324	324	—
New Highs	14	14	—	14	14	14	14	—
New Lows	14	14	—	14	14	14	14	—

NASDAQ Index								
Vol.	High	Low	Last	Chg.	Open	High	Low	Last
ABM n	108.67	108.50	108.50	-0.13	108.67	108.50	108.50	108.50
Wilkens	70.00	70.00	70.00	-0.00	70.00	70.00	70.00	70.00
Hmshs	66.68	66.50	66.50	-0.18	66.68	66.50	66.50	66.50
Echob	57.00	56.80	56.80	-0.20	57.00	56.80	56.80	56.80
Worl	57.00	56.80	56.80	-0.20	57.00	56.80	56.80	56.80
LorTel	52.74	52.50	52.50	-0.24	52.74	52.50	52.50	52.50
GRC	52.74	52.50	52.50	-0.24	52.74	52.50	52.50	52.50
Hester	52.74	52.50	52.50	-0.24	52.74	52.50	52.50	52.50
NYTRN	51.24	51.00	51.00	-0.24	51.24	51.00	51.00	51.00
AT&T	51.24	51.00	51.00	-0.24	51.24	51.00	51.00	51.00

AMEX Most Actives								
Vol.	High	Low	Last	Chg.	Open	High	Low	Last
ABM n	108.67	108						

AMEX stocks	P. 10
NYSE stocks	P. 10
NYSE bond issues	P. 10
Corporate rates	P. 10
Corporate rates	P. 11
Corporate rates	P. 12
Corporate rates	P. 12
Dividends	P. 14
Dividends	P. 14

SATURDAY-SUNDAY, APRIL 25-26, 1987

ECONOMIC SCENE

'Balance of Terror' Stops Declaration of Trade War

By LEONARD SILK

New York Times Service

NEW YORK — With conflicts raging over trade and protectionism, currency instability, Third World debt and the means of checking inflation and recession, international relations have been severely strained and financial markets have turned nervous and apprehensive.

But, just when the opponents seem ready to slug each other into senselessness, they clinch and go into a clumsy waltz, like boxers in a comic film.

Take the battle between the United States and Japan. President Ronald Reagan has imposed 100 percent tariffs on \$300 million of Japanese computers, television sets and power tools, asserting that Japan violated an agreement not to "dump" microchips — sell them below market prices — in third markets.

The Japanese insist they did no such thing.

The Japanese say they have received no proof from the Americans that they violated the bilateral pact, and Mr. Reagan asks for proof that they lived up to it. Some economists say it is time for Japan to stop its disguised protectionism, but others warn that U.S. protectionism is rising and could cause or at least aggravate a worldwide crash.

Yet Japan, with its huge stake in the American market, has not yet hit back. Both sides have taken a conciliatory tone. The Japanese find it "deeply regrettable" that the United States acted unilaterally. Mr. Reagan said he was just trying to "enforce the principles of free and fair trade."

On both sides of the Pacific, the waltz goes on. Shinjiro Abe, a former Japanese foreign minister, met with President Reagan to see whether the United States would lift the punitive tariffs. But Mr. Reagan apparently intends to hold out, hoping to make a broader pact when Prime Minister Yasushi Nakasone visits Washington next week. A broader pact would involve agreements not only on trade but on currencies and fiscal and monetary policies to stimulate growth and help shrink the U.S. merchandise trade deficit, which totaled \$147.71 billion last year, a record.

Both sides know how urgent it is to avoid a trade war, currency war and economic slump. Threats of protectionism are meant not to inflict injury but to open markets for American goods. In Japan, Clayton K. Yeutter, the trade representative, and Richard E. Lyng, the secretary of agriculture, warn the Japanese that, alas, they may be unable to control a protectionist congress; the situation is "very explosive."

Japan is belatedly reacting. Mr. Nakasone is working on a major package to offer Mr. Reagan. It is part of the familiar pattern of delay and delay, until the threat of severe retaliation grows acute. But Japan has weapons, too. This week the U.S. bond market plunged on reports that Japanese institutional investors would boycott the Treasury's next refunding in early May.

On Third World debt, there has also been a drawing back from the brink. When Brazil announced it was suspending interest payments on \$68 billion of its debts to Western commercial banks, there were fears that other major debtors might follow suit. But Argentina has reached agreement with the 11-bank negotiating committee, headed by William R. Rhodes of Citicorp. And, after nine months of delay, the Mexican financing package has also been worked out, with Mexico expected to make its first drawdown, totaling \$3.5 billion, on April 30.

But the debt crisis is far from over, since Brazil, the biggest Third World debtor, with a total of \$109 billion in loans outstanding, is still without a plan for putting its inflationary economy in order and is unwilling to make an agreement the bankers can accept. This week Chase Manhattan Bank said it would have to reduce its first-quarter earnings by about \$37 million as a result of putting its loans to Brazil on a nonaccrual

See ECONOMY, Page 13

Currency Rates

April 24

Cross Rates		Currency per U.S. Dollars		Currency per U.S. Dollars		Currency per U.S. Dollars	
5	2.34	0.44	F.F.	1.102	0.544	S.F.	1.00
Brussels (euro)	2.345	0.445	2.124*	1.102*	0.544*	1.00*	1.00
Frankfurt	1.769	2.581	1.00	1.491*	1.491*	1.00*	1.00
London (DM)	1.665	2.581	1.00	2.174*	1.491*	1.00*	1.00
Milan	1.662	2.115	2.115	1.00	2.224*	1.00*	1.00
New York (c)	0.6202	1.7845	1.5738	2.025	2.025	1.7845	1.7845
Paris	0.598	2.3118	1.6655	2.025	2.025	1.6655	1.6655
Tokyo	0.5945	2.2557	2.2557	1.00	2.025	1.00	1.00
Zurich	1.4638	2.1445	1.00	2.448	2.448	1.00	1.00
1 ECU	1.5209	2.0608	1.00	2.027	2.027	1.00	1.00
1 SDR	1.5219	2.0608	1.00	2.027	2.027	1.00	1.00

(a) Currencies in London and New York. Ratios in other European centers. New York rates of 4 P.M. (U.S. time). (b) Currencies in Paris. (c) Amounts needed to buy one pound (c). (d) Amounts needed to buy one dollar (*). (e) Units of 100 (b) Units of 1,000 (c). (f) Units of 10,000 (d); not quoted; (g) not available.

See ECONOMY, Page 13

Other Dollar Values

Currency per U.S. Dollars		Currency per U.S. Dollars		Currency per U.S. Dollars	
Australia	1.235	1.00	Austria	1.0205	1.00
Austral. \$	1.4114	1.00	Greece	1.1780	1.00
Austrian sch.	7.272	1.00	New Zealand \$	1.0707	1.00
Bahrain	57.23	1.00	Swiss francs	1.4024	1.00
Bahraini dinar	5.201	1.00	Thailand baht	1.2714	1.00
Canada	1.235	1.00	U.S. dollar	1.00	1.00
Chile	2.221	1.00	U.S. dollar	1.00	1.00
China	2.223	1.00	U.S. dollar	1.00	1.00
Denmark krone	4.73	1.00	U.S. dollar	1.00	1.00
Egypt, pound	1.36	1.00	U.S. dollar	1.00	1.00

Sources: Interbank Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAI (other, not otherwise specified); Gresham (London).

* Sterling: 1.0088 British £.

See ECONOMY, Page 13

Interest Rates

April 24

Eurocurrency Deposits		Soviet Bonds		French Bonds		ECU Bonds		S.F. Bonds	
1 month	5.4%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%
2 months	5.6%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
3 months	5.7%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
6 months	5.8%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
1 year	5.9%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%

Sources: Morgan Guaranty Trust, DCM, SF, Pound, FFI; Lloyd's Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum for equivalent.

See ECONOMY, Page 13

Key Money Rates April 24

United States		Canada		Soviet		France		Sterling		ECU		S.F.	
Discount rate	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Interest rates	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Commercial paper	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
Cash market 90-120 days	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
3-month Treasury bills	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
6-month Treasury bills	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
9-month Treasury bills	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
1-year Treasury bills	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%

See ECONOMY, Page 13

U.S. Money Market Funds

April 24

Merrill Lynch Ready Assets		30-day average yield:		Tate & Lyle Interest Rate Index		4.6%	
Source: Merrill Lynch, Tel Aviv		5.33		4.6%		4.6%	

See ECONOMY, Page 13

Gold

April 24

Home Comex		A.M.		P.M.			

Fridays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div.	Yld.	PE	Stk.	100s High	Low	Close	Chg.	Out. Chg.
500	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
480	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
460	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
450	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
440	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
430	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
420	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
410	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
400	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
390	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
380	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
370	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
360	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
350	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
340	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
330	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
320	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
310	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
300	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
290	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
280	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
270	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
260	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
250	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
240	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
230	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
220	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
210	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
200	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
190	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
180	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
170	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
160	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
150	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
140	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
130	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
120	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
110	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
100	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
90	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
80	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
70	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
60	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
50	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
40	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
30	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
20	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
10	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
5	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
2	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
1	450	NSPW S	411	.52	210	50	50	50	49	-1	-1
0	450	NSPW S	411	.52	210	50	50	50	49	-1	-1

12 Month High	Low	Stock	Div.	Yld.	PE	Stk.	100s High	Low	Close	Chg.	Out. Chg.
320	210	PionEl	124	.4	210	25	250	234	234	-1	-1
310	210	PionEl	124	.4	210	25	250	234	234	-1	-1
300	210	PionEl	124	.4	210	25	250	234	234	-1	-1
290	210	PionEl	124	.4	210	25	250	234	234	-1	-1
280	210	PionEl	124	.4	210	25	250	234	234	-1	-1
270	210	PionEl	124	.4	210	25	250	234	234	-1	-1
260	210	PionEl	124	.4	210	25	250	234	234	-1	-1
250	210	PionEl	124	.4	210	25	250	234	234	-1	-1
240	210	PionEl	124	.4	210	25	250	234	234	-1	-1
230	210	PionEl	124	.4	210	25	250	234	234	-1	-1
220	210	PionEl	124	.4	210	25	250	234	234	-1	-1
210	210	PionEl	124	.4	210	25	250	234	234	-1	-1
200	210	PionEl	124	.4	210	25	250	234	234	-1	-1
190	210	PionEl	124	.4	210	25	250	234	234	-1	-1
180	210	PionEl	124	.4	210	25	250	234	234	-1	-1
170	210	PionEl	124	.4	210	25	250	234	234	-1	-1
160	210	PionEl	124	.4	210	25	250	234	234	-1	-1
150	210	PionEl	124	.4	210	25	250	234	234	-1	-1
140	210	PionEl	124	.4	210	25	250	234	234	-1	-1
130	210	PionEl	124	.4	210	25	250	234	234	-1	-1
120	210	PionEl	124	.4	210	25	250	234	234	-1	-1
110	210	PionEl	124	.4	210	25	250				

CCF Share Price Set at 107 Francs

By Axel Krause

International Herald Tribune

PARIS — The Finance Ministry said Friday that the offering price to the public for shares in Crédit Commercial de France, the second major government-owned bank being returned to private ownership, would be 107 francs (about \$18).

The offering, which analysts said would be easily oversubscribed, will apply to about 40 percent of CCF's 41 million shares outstanding that will go on sale Monday.

Additionally, with the aim of preventing any unfriendly takeover, about 30 percent of CCF's shares have been offered to a core group of nine industrial and financial companies friendly to CCF, including the government-owned Compagnie Générale d'Électricité, Rhône-Poulenc SA and Thomson SA of France, and Kreditbank NV of Belgium.

The core group has agreed to pay a premium of about 3 percent for the shares. They will be required to keep the shares for a minimum of five years, CCF executives said.

A further 17.5 percent of CCF's shares is being offered to foreign shareholders. That offering is being managed by a syndicate of eight banks: Morgan Guaranty of the United States; Indosuez of France; Kleinwort Benson of Britain; Nikko Securities of Japan; Kreditbank of Belgium; Union Bank of Switzerland, and Berliner Handels- und Frankfurter Bank of West Germany.

"Based on responses so far, the offering to our core group and foreigners has been more than successful, restating what happened in the case of Paribas," a CCF executive said.

The flotation in February of the Paribas banking group, the first major French bank to be denationalized, was 40 times oversubscribed. The Paribas shares were priced at 405 francs.

About 10 percent of the remaining CCF shares, in conformity with the conservative government's de-

nationalization guidelines, will be offered to employees of CCF, which is the sixth largest French bank in terms of deposits.

Gabriel Pallez, CCF's chairman, said Friday that CCF's consolidated net group earnings in 1986 rose 41 percent from a year earlier to 360.5 million francs, while assets rose 27 percent to 206.8 billion francs.

"As you can see, the CCF is ready for privatization," he said.

Many analysts said that the offering price was "reasonable" and that they anticipated improved earnings by CCF in the next few years, although probably at lower rates.

A Ferti, B. Ferri, C. Germe SA, a Paris brokerage firm, estimated that CCF's net group earnings between 1987 and 1988 would rise by about 20 percent.

A total of 11 groups are slated for denationalization this year, including CCF. Fifteen other groups are on the government's list, but no dates have been set for their sales.

BP Extends Tender Offer for Standard Oil

Reuters

NEW YORK — Standard Oil Co. said British Petroleum PLC has extended its \$70 a share tender offer until May 4.

The offer for the 45 percent of Standard shares not already owned by BP had been scheduled to expire April 28. Standard said discussions with BP concerning the offer were continuing but provided no further details.

"So long as those discussions continue, no recommendation will be made to Standard Oil shareholders regarding the offer," Standard announced.

A committee of independent directors previously obtained an opinion from First Boston Corp. that the Standard shares had a value of \$85 each, \$15 more than the BP offer.

BUSINESS PEOPLE

2d Top Executive Leaves J. Walter Thompson

By Arthur Higbee
International Herald Tribune

J. Walter Thompson Co. said Bertram Metter had resigned as chairman and chief executive of the fourth biggest U.S. advertising company's domestic arm, J. Walter Thompson USA.

He is the second top-level JWT executive to leave this year. Thompson clients include Ford cars, Kodak film and Burger King restaurants.

Don Johnston, chairman and chief executive of both the parent JWT Group and the advertising company J. Walter Thompson, said Thursday he would assume the duties of chief executive of the U.S. unit as well.

Securities analysis said the change reflected continuing management turmoil at the agency they say has been undergoing financially.

Earlier this year, Mr. Johnston fired Joseph W. O'Donnell as head of J. Walter Thompson Co. after Mr. O'Donnell disclosed he had talked with an outside group about buying out JWT.

Thursday's announcement said Mr. Metter, 59, told Mr. Johnston, also 59, that while both shared the same goals, "they had different strategies for achieving these goals."

Mr. Johnston has been faulted for failing to improve earnings al-

though the company's creative reputation has grown in recent years. JWT Group reported net income fell 70 percent to \$5.9 million in 1986 from \$19.4 million in 1985, despite an 11 percent rise in commissions and fees to \$641 million.

Commodore International Ltd., the West Chester, Pennsylvania, home computer maker that has been recovering after several quarters of heavy losses, said its chairman and biggest stockholder, Irving Gould, would replace Thomas A. Ratigan as chief executive. Mr. Ratigan, 49, resigned as president and chief executive on Wednesday and filed a \$9 million lawsuit against Commodore, charging breach of contract. He said he had a five-year contract that was to run until 1991 and that his resignation had not been voluntary.

Wheeling Pittsburgh Steel Corp. has named William J. Schaffnerberger, a bankruptcy expert, as its new president and chief executive officer, succeeding George A. Ferris, 50, who resigned as chief executive in March, and John D. Fry, who resigned as president in April.

The company filed for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code two years ago. In announcing the selection of Mr. Schaffnerberger, 66, Wheeling-Pittsburgh referred to his "extensive background in Chapter 11 proceedings" in former posi-

John Swearengen To Retire From Continental Bank

The Associated Press

CHICAGO — John E. Swearengen, who presided over the restructuring of the near bankrupt Continental Illinois Corp., is retiring as chairman and chief executive officer.

Mr. Swearengen, 66, said when he joined the company in 1984 that he planned to remain only for about three years.

He had retired in 1983 after 23 years as chief executive officer of Standard Oil Co. (Indiana), now Amoco Corp.

Continental, the 14th largest U.S. bank holding company, said Mr. Swearengen would remain in his present job until a new chairman is elected. The company's directors will begin a search for a new chairman and chief executive officer.

international investment banking arm, at the unit's London headquarters. Mr. Havill, 47, who is British, will be responsible for developing leveraged buyout business in Europe.

Morgan Grenfell Group PLC, the London merchant banking firm, has named John Craven, head of Phoenix Securities Ltd., as its chief executive. Mr. Craven, 46, succeeds Christopher Reeves, 51, who resigned in January over Morgan Grenfell's role in the Guinness PLC share-trading affair. Morgan Grenfell will acquire Mr. Craven's private merchant banking firm, Phoenix, which will continue to operate as an independent unit.

Burton Group PLC has hired John Hoerner, an American retail executive, as chairman of its Debenhams chain of 67 specialty department stores in Britain. Mr. Hoerner, 47, was president and chief executive of U.S. department stores that was part of Associated Dry Goods Corp. Mr. Hoerner lost his job there after May Department Stores Co. took Associated over last year. Like Ayres Debenhams' primary focus is on fashion. Robert Thornton was chairman of Debenhams before its takeover by Burton in 1985. He resigned the next year. In recent months Laurence Cooklin, Burton's joint deputy group managing director, has been acting chairman of Debenhams.

COMPANY EARNINGS

GM Profit Drops 23.1%, but Bettters Forecasts

Compiled by Our Staff From Dispatches

DETROIT — General Motors Corp. has reported a 23.1 percent drop in first-quarter earnings to \$922 million from \$1.2 billion in the same period of 1986, citing production cuts in response to slumping sales and the cost of sales incentive campaigns.

The No. 1 U.S. automaker on Thursday said its earnings totaled \$2.62 a share, which far exceeded analysts' estimates of \$1.90 to \$2 a share, but was well below \$3.52 a share a year earlier.

The company's dollar sales in the first quarter totaled \$26.1 billion, down about 3 percent from \$26.8 billion in 1986. But its worldwide factory sales of cars and trucks were down 10 percent, to 2.1 million units.

GM said the decline was in response to strong competition from Ford Motor Co. and Chrysler Corp., and from imports. Analysts expect Ford to report higher earnings for the period early next week. Chrysler's report is expected Monday.

Operating earnings were particularly hard hit, falling 49 percent to \$687.4 million from \$1.36 billion.

Some analysts said GM's car and truck operations posted better results than anticipated. But despite GM's performance, many analysts are not changing their negative assessments, saying the company is still producing more cars than it can sell and will be forced to cut production in the second half, reducing income.

GM said that it was "accelerating" its efforts to cut employment and phase out its "uncompetitive or obsolete" parts plants. GM, which last year announced plans to close 11 major manufacturing plants, has been widely expected to announce more closings of components plants, as it tries to reduce its fixed costs — the highest in the domestic auto industry. However, plant closings are being opposed by the United Automobile Workers.

GM's biggest life came from its financing subsidiary, General Motors Acceptance Corp., which contributed \$457.3 million.

Delta Back in Profit, TWA Cuts Loss

DETROIT — Delta Air Lines Inc. has reported a fiscal third-quarter profit of \$26.4 million compared with a year-earlier loss of \$6.38 million, while Trans World Airlines Inc. said it cut its loss by 68 percent to \$4.8 million in the quarter ended March 31 from \$16.9 million in the same 1986 quarter.

Atlanta-based Delta said its latest net income

equaled 54 cents a share, on revenue that rose 31 percent to \$1.45 billion from \$1.1 billion. The company said the results trashed its expectations because of new price wars that narrowed profit margins.

Delta said its latest figures included the results of Western Air Lines, which Delta acquired last Dec. 18, while the year-earlier results do not.

In New York, TWA said it reduced its first-quarter 1986 pretax loss from operations to \$27.4 million in the quarter, down from \$30.2 million in the same period a year earlier. Revenue rose 24 percent to \$634 million from \$562 million.

Despite losing money it was TWA's best operating performance in 14 years for the first quarter, which is traditionally the airline's most unprofitable three-month period, TWA said, noting that it had operating profits in the third and fourth quarters of 1986.

TWA's chairman, Carl C. Icahn, attributed the reduced loss to cost controls, a restructuring of TWA's route system, lower fuel expenses and the absence of labor strife and terrorism-related passenger declines TWA encountered a year earlier.

Norsk Hydro Net Up 18% in Quarter

Norsk Hydro AS reported a profit of 413 million kroner (\$61.3 million) after taxes for the first quarter of 1987, up 18 percent from a year earlier. Market analysts had expected earnings of 150 million to 200 million kroner. Operating revenue rose 3 percent to 14.28 billion kroner.

The company said profits from its oil and gas division had improved on higher oil prices and sales from fertilizer operations were recovering, though slower than hoped at the end of the fourth quarter. Norsk Hydro, 51 percent-owned by the government, is Norway's biggest diversified corporation.

LTV Reports Profit for First Quarter

LTV Corp. posted a first-quarter profit, largely because of benefits stemming from the Chapter 11 bankruptcy protection the corporation sought last year, company officials said. The Dallas-based company, which has interests in steel, aerospace-defense and energy, reported net income of \$129.6 million, or \$1.04 a share, for the first quarter, in contrast to a loss of \$10.91 million a year earlier.

LTV's consolidated sales rose 6.1 percent to \$1.91 billion, principally because of higher steel shipments and increased deliveries of military vehicles.

(AP, Reuters, NYT)

OIL: Profits Fall in U.S.

(Continued from first finance page)

and production operations."

Exxon said its earnings from domestic exploration and production totaled \$297 million in the quarter, down from \$302 million in the same period a year earlier, while foreign profit in that sector fell to \$662 million from \$872 million.

Mr. Rawl said margins in refining and marketing were especially hurt in the quarter because of competition domestically and abroad.

Shell said its domestic crude prices averaged \$14.24 a barrel in the quarter, compared with \$19.28 in the same 1986 period.

Shell's 37 percent fall took first-quarter earnings to \$106 million from \$168 million in the year-earlier period. Shell does not report per-share earnings because it is wholly owned by the Royal Dutch/Shell Group. Revenues for the first quarter decreased by 4 percent to \$4.5 billion from \$4.7 billion.

Atlantic Richfield said its earnings fell 22.7 percent to \$239 million from \$299 million in first-quarter of 1986. Profit totaled \$1.31 a share, on lower first-quarter sales of \$3.7 billion, compared with \$1.64 a share on revenue of \$4.3 billion.

Standard Oil said its quarterly profit was \$200 million, or 85 cents a share, on \$2.5 billion in sales, down 20.9 percent from \$253 million, or \$1.08 a share, on \$2.9 billion in sales last year.

Phillips said it had losses of \$32 million on \$2.54 billion in first-quarter sales, compared with a profit of \$94 million, or 39 cents a share, on revenue of \$3.1 billion in the year-ago period. (AP, UPJ)

Elders IXL Ltd., the Australian brewing giant, said the Canadian government approved its bid for the brewer Carling O'Keefe Ltd. Elders earlier announced that it was buying 10.9 million shares or 50.1 percent of Carling, from the Canadian subsidiary of Rothmans International PLC for 18 Canadian dollars (about \$13.53) each.

Emirates Airlines of Dubai signed to buy one A-300-600 Airbus, for delivery in November 1988. It already operates one A-300. It ordered two A-310-300 last October.

Fujitsu Ltd. has decided to boost output by

50 percent at its magnetic disk plant in the United States to steer clear of a Japan-U.S. dispute on electronic trade, according to Dempa, a Tokyo newspaper. Fujitsu produces 10 billion yen (about \$70 million) of the disks for computers a year in Hillsboro, Oregon.

MCA Corp. of Los Angeles is reportedly considering selling about 15 percent of its music entertainment group in a public offering that might raise \$100 million to \$130 million. The president, Sidney Steinberg, declined to place a value on the goods to be sold at home.

Clyuxe Corp. said it and Renault of France agreed to set May 5 as the new target date to reach a definitive agreement for Chrysler to acquire American Motors Corp. Renault owns 46.1 percent of AMC. Chrysler signed a letter of intent on March 9 to acquire AMC. The two companies originally set April 23 for reaching a definitive agreement.

Qantas Airways Ltd., the government-owned Australian airline, has placed a firm order for a single Boeing 767-300ER extended range aircraft for delivery in August 1988 at a cost of 150

million Australian dollars (about \$105.8 million). It has options on six more and will decide in mid-1987 whether to use engines made by Pratt & Whitney or General Electric Co.

Salomon Bros. has said it was confident it could sell \$1.5 billion of junior securities in connection with the proposed purchase of United Air Lines from UAL Inc. by pilots. The pilots said the rest of the \$4.5 billion price would consist of assumed debt, commercial bank loans and funds from the pilots.

Texaco Inc. has been sold by Judge Howard Schwartzberg, who is overseeing Texaco's reorganization in federal bankruptcy court, that it may resume its appeal in the Texas courts against a \$10.3 billion damage judgment in favor of Pennzoil Co. All litigation between Texaco, based in White Plains, New York, and Houston-based Pennzoil was suspended on April 12 when Texaco filed to reorganize under Chapter 11 of the U.S. Bankruptcy Code.

Warburg, Pincus Capital Co. said that about 2.2 million shares had been tendered in its \$3.50-a-share offer for up to 2.5 million common shares of Symbion Inc. Warburg said the tendered shares, when added to its previous holdings and a stake owned by a second Warburg, Pincus partnership, give the company control of about 55.3 percent of Symbion.

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 24 April 1987

The marginal figures indicate frequency of quotations supplied: (d) daily; (w) weekly; (m) monthly; (r) regularly; (t) irregularly.

No asset value quotations are supplied by the funds listed with the exception of some stocks based on issue price.

The following funds are quoted in parentheses: (A) American; (C) Canadian; (E) English; (F) French; (G) German; (H) Hong Kong; (I) Italian; (L) Latin American; (M) Mexican; (P) Portuguese; (R) Spanish; (T) Swiss; (U) U.S. Dollars; (W) U.S. Dollars; (Y) Yen.

The following funds are quoted in parentheses: (B) British; (D) Dutch; (F) French; (G) German; (I) Italian; (L) Latin American; (M) Mexican; (P) Portuguese; (R) Spanish; (T) Swiss; (U) U.S. Dollars; (W) U.S. Dollars; (Y) Yen.

The following funds are quoted in parentheses: (B) British; (D) Dutch; (F) French; (G) German; (I) Italian; (L) Latin American; (M) Mexican; (P) Portuguese; (R) Spanish; (T) Swiss; (U) U.S. Dollars; (W) U.S. Dollars; (Y) Yen.

<p

ACROSS

- 1 Pachyderm driver
- 7 Strict precision
- 12 Flew the coop
- 18 Underworld entrance, to an Italian
- 19 Lincoln's co-speaker at Gettysburg
- 22 Luzon seaport
- 23 Flamboyant financier?
- 25 London's — Garden
- 26 Propelling device
- 27 Hebrides island
- 28 Postage for chain letters?
- 30 Primes for crimes
- 32 Most competent
- 33 Nest for Nesseirode
- 37 Black Creeps
- 38 Cheroots' kin
- 44 Luau locale
- 47 Motorists' org.
- 48 — the finish
- 49 Cliff on Kauai

ACROSS

- 50 Jeanette's jumpy partner?
- 52 Recently deceased
- 53 Calm
- 56 Objective
- 57 Trouble
- 58 Title for R.C. archishops
- 59 Underground art site in Spain
- 61 Disposed
- 63 Purify
- 64 Provincial ruler in Greece
- 66 Famed Spanish archbishop-scholar
- 68 Spa attraction
- 71 Lecture material
- 73 Aquatic plane
- 77 Cut short
- 78 Ventilate
- 79 Fold over
- 81 — Virginia Woolf
- 82 John or tasse preceder
- 83 Imitation Stone?

ACROSS

- 86 "Massa's cold, cold ground"
- 87 Loser to S. Grant
- 88 David's right-hand man
- 89 Mr. T's associates
- 90 Bitterness
- 92 Last course
- 94 Pompadour and Bovary
- 95 Citrus shelter
- 97 Turning points
- 99 Dutch genre painter
- 100 Eire symbols
- 104 Secular Zones
- 105 Zones
- 110 Lift for the Montgolfiers
- 111 Masked old master?
- 115 Confine
- 116 Summit site: 1943
- 117 Taker of SAT's
- 118 Merged resources
- 119 Melampus and Mopius
- 120 Practices extortion

DOWN

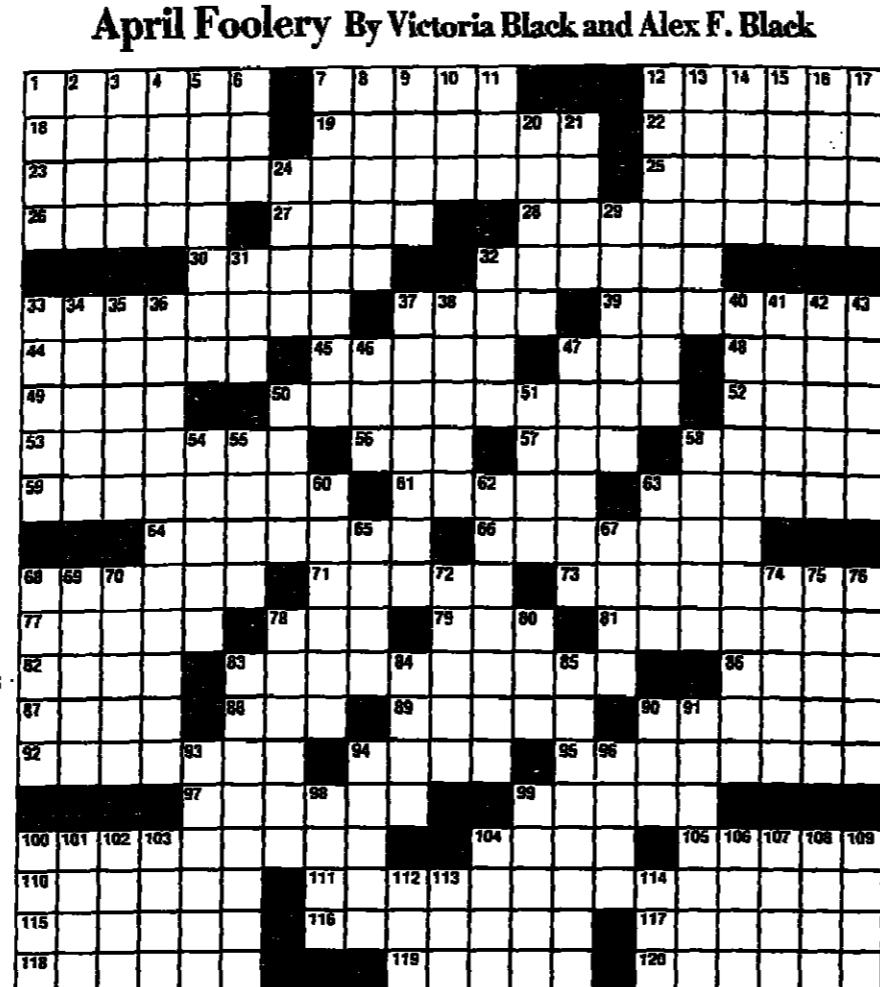
- 1 Fairy queen et al.
- 2 With, in Wassy
- 3 German gentleman
- 4 Neighbor of Caravaggio
- 5 In the dark
- 6 Peak
- 7 Decant
- 8 Lend and Pavlov
- 9 City south of Leipzig
- 10 Pizarro's pursuit
- 11 Off. order
- 12 Part of a ship's rigging
- 13 City on the Douro
- 14 Stromboli flow
- 15 Allowance after tax

DOWN

- 16 Former flyweight champ
- 17 Dabs' running mates
- 20 Poly-poly
- 21 European Linden
- 24 Martin — U.S. politico
- 29 Creator of Gil Blas
- 31 Strayed Steinbeck vehicle
- 32 Related to 33 Browning heroine
- 34 Considering everything
- 35 Brilliance
- 36 Stylistic subterfuges?

DOWN

- 37 Discernment
- 38 Ruth's in-law
- 40 Midas touch?
- 41 Town in N. Finland
- 42 Worm away
- 43 Actor Gutenberg
- 46 Wing
- 47 Aphrodite favorite
- 50 River in Umbria
- 51 Rams' ma'ams
- 54 Lifeless, old style
- 55 Conway and Holt
- 58 Country singer Haggard
- 60 Rx for bruises
- 62 Faces



© New York Times, edited by Eugene Maleska

DOWN

- 63 Middle or high follower
- 65 Stopper
- 67 Letter opener
- 68 Tramped a swamp
- 69 White poplar
- 70 Big bites for bookworms
- 72 Make happy
- 74 Edwards or Lombardi
- 75 Where Saul met a witch

DOWN

- 76 Suspicious
- 78 Of a trunk in a trunk
- 80 Org. playing the Doral
- 83 Reflected
- 84 Some spreads
- 85 These might be mixed
- 90 Actress Charlotte
- 91 Poe's "Lee"
- 93 To write, to Pierre

DOWN

- 94 Legalese for middle
- 96 Receipt for Rene
- 97 Card game for three
- 99 Philippine island
- 100 Packet, e.g.
- 101 "Ecce —"
- 102 Air: Comb. form
- 103 Heavy hammer

DOWN

- 104 Orpheus's instrument
- 105 Multiflora
- 107 Boiardos' parrot
- 108 Made a hole-in-one
- 109 " — more to be pitied . . ."
- 112 Cries of surprise
- 113 Word in genealogy
- 114 Theologian's deg.

TWO LIVES AND A DREAM

By Marguerite Yourcenar. Translated by Walter Kaiser in collaboration with the author. 245 pages. \$16.95. Farrar, Straus & Giroux, 19 Union Square West, New York, N.Y. 10003.

By John Gross

THE Belgian-born author Marguerite Yourcenar has enjoyed a high reputation in the English-speaking world ever since her novel "Memoirs of Hadrian" was translated in 1954. She had begun writing long before that, however, and although two of the three stories in "Two Lives and a Dream" are essentially new, all three have a prehistory going back to the earliest stages of her career.

Both the longest, most notable story in the collection, "An Obscure Man," and its brief pendant, "A Lovely Morning," ultimately derive from the story of a young 17th-century Dutchman called Nathanael that she first sketched out when she was about 20 and published 11 or 12 years later, in 1935, as a novella entitled "After Rembrandt." She was dissat-

BOOKS

isfied with the result — a "pallid novella," she calls it. But the figure of Nathanael came back to haunt her, and by 1979 she was ready to start recasting his story (and, in "A Lovely Morning," that of his son Lazarus) in a completely new form.

Nathanael is unquestionably "an obscure man," though perhaps no more obscure than most — for as the story reminds us, "it is without much ado that most people enter this world and without much ado that they leave it." The son of a Dutch carpenter who has come to England to work in the shipyards at Greenwich, he receives "the rudiments of a good education"; then, at the age of 15, afraid that he may have killed a drunk who was trying to molest him, he stows away on a ship bound for Jamaica.

After a series of adventures at sea, he marries a girl whose family lives in a remote island settlement somewhere off the coast of Canada or Maine. When she dies, he makes his way to Europe and gets a job in Amsterdam as a proofreader in his uncle's printing shop. The uncle cheats him out of a legacy; he is hired by another printer, falls ill from consumption,

and finds shelter in the household of a wealthy widower and former burgomaster, van Herzog.

Once he has recovered, he becomes van Herzog's valet. But then his illness flares up again, and he is packed off to a house his master owns in a lonely spot on one of the Frisian Islands. He coughs his last not long afterward.

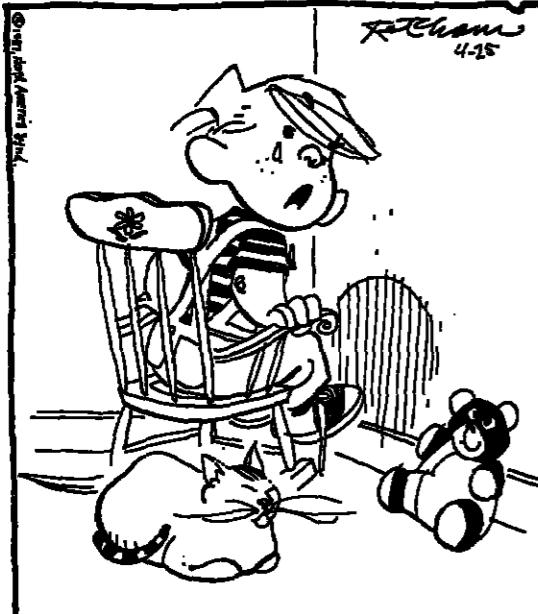
Yourcenar has a strongly pictorial imagination, and although it is just as well she abandoned the rather pretentious title "After Rembrandt," the influence of Dutch painting is plain to see in her descriptions. Not just Rembrandt, but the genre painters, with their tavern scenes and domestic interiors, and, in the bleakly beautiful Frisian section, the landscape painters as well.

Nathanael leaves behind a young son, Lazarus (the boy's mother, a prostitute, has been hanged for theft). In "A Lovely Morning" Lazarus persuades a party of English actors who are passing through Amsterdam to let him join them, and suddenly and exultantly foresees all the parts — mostly Shakespearean — that he is going to play in the course of his career. The passage is a tour de force.

The final story in the collection, "Anna, Soror . . ." was written when Yourcenar was only 21, and originally published in 1935; the changes she has made for the new edition are, she tells us, essentially minor ones. Set in southern Italy in the 16th century, it describes a fierce incestuous romance between a brother and sister, the children of the governor of the Spanish fortress in Naples. The young man escapes from the agonies of the affair by courting death, and finding it, in an expedition against pirates; his sister continues to nurse her passion through long years of religious withdrawal and a meaningless marriage.

The colors of "Anna, Soror . . ." are at once richer and more severe than those of the preceding stories, the passions crueler and more intense. In her "postface" Yourcenar tells us that it was with this story that she "tasted for the first time the ultimate privilege of the novelist, that of losing himself completely in his characters." Reading it more than 60 years later — in an excellent translation, by the way — you can readily see why.

John Gross is on the staff of The New York Times.

DENNIS THE MENACE

"I'M ACTING FUNNY, HOW COME NOBODY'S LAUGHING?"

WEATHER

EUROPE	HIGH		LOW		ASIA	HIGH		LOW	
	C	F	C	F		F	C	F	C
Algiers	79	46	19	56	Japan	25	77	11	51
Antwerp	76	43	20	57	Korea	26	78	12	52
Athens	77	43	21	58	Malaysia	26	78	12	52
Berlin	75	41	20	57	Mexico	34	79	13	53
Buenos Aires	72	41	19	56	Monaco	34	79	13	53
Budapest	71	40	19	55	Monte Carlo	34	79	13	53
Bucharest	71	40	19	55	Peru	26	77	11	51
Caracas	72	41	20	57	Singapore	26	77	11	51
Copenhagen	73	42	21	58	Sri Lanka	26	77	11	51
Edinburgh	74	43	22	59	Taiwan	26	77	11	51
Flensburg	72	41	20	57	Tunisia	26	77	11	51
Gibraltar	73	42	21	58	Venezuela	26	77	11	51
Helsinki	74	43	22	59	Yugoslavia	26	77	11	51
Istanbul	75	44	23	60	Zagreb	26	77	11	51
Johannesburg	76	45	24	61					
Lisbon	73	41	20	57					
London	72	40	19	56					
Madrid	74	42	21	58					
Moscow	75	43	22	59					
Munich	76	44	23	60					
Oslo	74	42	21	58					
Paris	75	43	22	59					
Prague	76	44	23	60					
Reykjavik	74	42	21	58					
Rome	75	43	22	59					
Stockholm	76	44	23	60					
Venice	74	42	21	58					
Vienna	75	43	22	59					
Zurich	76	44	23	60					

AFRICA

Abidjan
Cape Town
Geneva
Harare
Lagos
London
Mombasa
Nairobi
Port Louis
Rome
Tunis

LATIN AMERICA

Buenos Aires
Caracas
Mexico City
Rio de Janeiro

NORTH AMERICA

Anchorage
Atlanta
Baltimore
Boston
Chicago
Denver
Houston
Los Angeles
Montreal
Nashville
Newark
New Haven
New Orleans
New York
Ottawa
Seattle
Tampa
Toronto
Vancouver
Victoria
Winnipeg

MIDDLE EAST

Akko

Beirut

Demascus

Jerusalem

Tehran

Tel Aviv

Tunis

Amman

Baghdad

Bahrain

Baku

Bahrain

